

Legislative Assembly of Alberta

Title: **Thursday, March 17, 2005**

1:30 p.m.

Date: 05/03/17

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As we conclude for this week our work in this Assembly, we renew our energies with thanks so that we may continue our work with the people in the constituencies we represent. Amen.

Please be seated.

Vignettes from Alberta's History

The Speaker: Hon. members, our historic comment of the day. On March 17, 1937, the Hon. Philip C.H. Primrose died in Edmonton, having served as Alberta's Lieutenant Governor for six months. The Hon. Colonel Primrose was known for his long and distinguished career with the North West Mounted Police, now known as the Royal Canadian Mounted Police. He was the first Lieutenant Governor of Alberta to die in office, and his was the first state funeral in the history of the province of Alberta.

As I sit, may I wish all the best to all those of Irish descent.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Human Resources and Employment.

Mr. Cardinal: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 83 grade 6 students who are accompanied by their teachers and parent helpers. They are from the Gibbons school in my constituency. They are seated in the public gallery. I'd like them to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to all members of the Assembly a group of students and their chaperones sitting in the members' gallery who are from the Canadian University College, which is an independent school of advanced education in Lacombe. Please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I'm honoured today to introduce to you and through you to members of this Assembly the hard-working members of the Northern Alberta Development Council, who are meeting in Edmonton today. Joining us are Carmen Ewing from Girouxville, Helen Henderson from High Prairie, Gary Pollock from Swan Hills, Maurice Rivard from Bonnyville, Harvey Yoder from Lac La Biche, and Michael Ouellette from Grande Prairie. They're also accompanied by three staff members from Peace River: Allen Geary, Audrey DeWit, and Jennifer Bisley.

Mr. Speaker, these individuals are to be commended for their dedication and advancement of northern Alberta development through regional initiatives in partnership with the private sector and

community-based organizations. They are seated in the members' gallery this afternoon, and I would ask them to rise, if they would, and receive the traditional warm welcome of this Assembly.

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

Ms Blakeman: Thank you very much, Mr. Speaker. There are a number of individuals in the public gallery that I'd like to introduce to you and through you to all members of the Assembly. I'd ask them to please rise as I call their names. Ed Koning is a Fabry patient and chair of the Fabry Society of Canada. Frank Koning is the father of two Fabry patients and the grandfather of one Fabry patient. Audrey Koning is a Fabry patient and the mother of two Fabry patients and the grandmother of one Fabry patient. Ross Perri is also a Fabry patient, and Helen Tsenekos is president of the Canadian Organization for Rare Disorders, a national group encouraging the development of an orphan drug policy in Canada. I ask all members to join me in welcoming these individuals to our Legislative Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. One of the most important services my constituency office provides is to assist constituents in gaining access to important government services. I'm truly fortunate to have Wes Carter, a social work student and a part-time employee in my office, to help with this work. I would like to introduce him to you and through you to all members of the Assembly. I would ask Mr. Carter to please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to this Assembly a member of my constituency. Joni Wilde, a teacher from the Magrath high school and the special needs co-ordinator, is here in Edmonton attending the Asperger's and autism conference at the U of A. I would like her to rise and receive the warm welcome of this Assembly.

The Speaker: Are there others? The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. I'm most pleased to rise today and introduce to you and through you to all members of this Assembly a group of 34 students from the La Crete public school accompanied by Mr. Morgan Coates, Mr. Richard Coburn, Mr. Steve Cole, Mrs. Mary Driedger, Mrs. Mary Wiebe, Mrs. Agnes Wiebe, Mr. Peter Neufeld, and Mr. Henry Harder as adult chaperones. They've travelled nearly a thousand kilometres to be with us today, and they're so in tune with the political process that they included on my notes that they want highway 88 paved. I would ask them to rise and receive the traditional warm welcome of this Assembly.

head: **Oral Question Period**

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

Enron Activities in Alberta

Dr. Taft: Thank you, Mr. Speaker. Albertans expect nothing less than the truth from their government. Yesterday in response to a question on government meetings with the disgraced Enron corpora-

tion the Premier stated: "I don't recall any discussions whatsoever with Enron. None." And he even went "none" – like that – for emphasis. However, an e-mail between senior Enron officials dated September 2000 has as its subject heading "Project Stanley - Recent Meetings with Alberta Government and TransAlta." Project Stanley was the code name Enron used for its market manipulation scheme in Alberta. To the Premier: is he now prepared to admit that Enron officials did in fact meet with officials from his government while Enron was ripping off Alberta consumers?

Mr. Klein: Mr. Speaker, I have no idea if Enron officials met with officials. I don't recall – and that is the truth – personally meeting with any officials from Enron. If Enron officials had meetings with our officials, I know nothing of that, but I will have the hon. minister respond.

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I don't have the specifics as to any meetings with officials. I can say this: Enron clearly was here as a participant in the marketplace. In fact, the investigation and the incidents with allegations to Enron go back to 1999, predating even that question. Investigations were and did occur. There wasn't sufficient evidence at that stage to proceed further. New information has come to light. The MSA continues to act on behalf of protecting Albertans by investigating this issue.

The Speaker: The hon. leader.

Dr. Taft: Thank you. Again to the Premier: then since the Premier doesn't know now who met, will he investigate who in his government did meet with the Enron officials and what they discussed?

Mr. Klein: Mr. Speaker, the hon. minister has heard the request, and I will assume that he will take appropriate measures.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Again to the Premier: given that at least 5,600 pages of records of communications between this government and Enron are known to exist, will this government turn those records over to the Competition Bureau for investigation?

Mr. Klein: Mr. Speaker, I assume that the market surveillance administrator will do whatever he deems appropriate in terms of turning documents over to the federal Competition Bureau, but I'll have the hon. minister respond.

Mr. Melchin: Mr. Speaker, it is the market surveillance administrator that initiated the investigation in the first place. It is they that worked in conjunction with the federal Competition Bureau. At any time when new information comes forward, you want to assess and get to whether it's valid or not. At this stage it still is just information. There's been no evidence to substantiate it, but they take it very seriously. They are examining all the documents they specifically requested. They've taken the proactive question, and they are working to protect Albertans.

Thank you.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Pricing

Mr. MacDonald: Thank you, Mr. Speaker. Enron was not the only company profiting because of this Progressive Conservative government's weak and indifferent attitude. This government allowed TransAlta and Powerex to set electricity prices at the Power Pool of Alberta in the spring and summer of 2000, causing consumers' power bills to skyrocket. The megabucks for megawatts scandal grows. My first question is to the Minister of Energy. Given that during April of the year 2000 76 per cent of the time that electricity prices were more than \$498 per megawatt – Powerex was the reason – why did this Progressive Conservative government sit idly by while Alberta's electricity market was being dominated by Powerex and prices were skyrocketing?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. Let's put some things into perspective. Powerex would only be through a tie-line to B.C. It's a very minor part of the power. It would only be a maximum of 600 megawatts. You still had at that stage about 7,000 to 8,000 megawatts of power that were available to consumers in Alberta. The market surveillance administrator has been a watchdog. They continue to watch prices as they happen throughout the days. If there are any abnormalities, they do investigate and they do follow through on these things.

1:40

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that this Progressive Conservative government gave the hydro power purchase arrangements to TransAlta for next to nothing, hydro being the cheapest source of electricity in Alberta, how could this government allow TransAlta to set the power prices for so long and for so high without any investigation?

Mr. Melchin: Mr. Speaker, one of the great accomplishments of having a market prevail is that those that trade are allowed to trade their goods and services in a marketplace. It's not a matter of setting prices. Any time you trade a commodity, you bid. There's an ask and a bid price, and you trade the commodity. It's no different on the stock markets. It's no different in the electricity market. Those things are very regular and anticipated by the marketplace.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: if this Progressive Conservative government is too weak and too indifferent to investigate the Enron scandal in Alberta, how will it now not investigate the price-setting strategies of both Powerex and TransAlta? Do the right thing: protect consumers.

Mr. Melchin: Mr. Speaker, we've answered these questions numerous times. The intent is to just try to slander. We still are looking for evidence. We'd invite any evidence. We always ask for the evidence so that we can make the appropriate judicial issues in this. The market surveillance administrator is and does act to protect Albertans every day.

The Speaker: Third Official Opposition main question. The hon. Member for Calgary-Currie.

Software Licences for Schools

Mr. Taylor: Thank you, Mr. Speaker. Late last year in a deal described as unprecedented, the ministry of learning cut a cheque to Microsoft for \$6.3 million for software licences for Alberta's

educational institutions, yet just months earlier Ontario signed a remarkably similar deal with Sun Microsystems for little more than shipping costs. My question is to the Minister of Advanced Education. Why was this government so eager to write Bill Gates a big fat cheque when Ontario scarcely had to write one at all?

Mr. Hancock: Well, Mr. Speaker, the hon. member raises a question with specifics relative to two sets of contracts which he has neither had the courtesy nor the foresight to provide any information about ahead of time so that he could get an answer to the question. So the public watching and the members of the Legislature hearing that question are supposed to take at face value his assumption that the two contracts are similar in any way, shape, or form, that they deal with the same types of items, that they have any relevance to each other. I'm not prepared to do that, and I don't think anybody else should be.

Mr. Taylor: Mr. Speaker, to the same minister: can the minister advise this Assembly and all Alberta taxpayers as to whether this contract was appropriately tendered, allowing all interested companies to compete fairly?

Mr. Hancock: Mr. Speaker, I'd be more than happy to get the details with respect to the contract and provide the hon. member details as are appropriate.

Mr. Taylor: My final question, Mr. Speaker, is to the Minister of Restructuring and Government Efficiency. Given these misspent millions, what is the minister's department doing and going to tell communities such as Bruderheim and Strathearn whose schools are threatened with closure in the name of system efficiency?

Mr. Ouellette: Mr. Speaker, I'm under the understanding that Bruderheim is staying open. Our department is looking at all the contracts right now to make sure that we are adhering to all of our government policy and rules.

The Speaker: The hon. leader of the ND opposition, followed by the hon. Member for Foothills-Rocky View.

Southeast Edmonton Ring Road

Mr. Mason: Thank you very much, Mr. Speaker. On January 25 the Conservative government left the public and the news media with the distinct impression that there would be a small \$4 million savings if the southeast Edmonton ring road was built as a P3. However, this is contradicted by an internal document provided exclusively to government MLAs which said that it could cost up to \$41 million more to build the ring road as a P3. I will table this document at an appropriate time. My question is to the Premier. How does the Premier explain the discrepancy between the facts given to government MLAs and the spin given to the rest of us about the comparative costs of building the ring road as a P3 or building it conventionally?

Mr. Klein: Mr. Speaker, this question was asked of me by the media, fed obviously by the ND opposition. My answer to the media was that we're seeking as many innovative ways of up fronting the costs of infrastructure projects as we possibly can. I also indicated to the media that this is a 30-year project, and outside of one of the ND opposition none of us will really live long enough to see the completion of the project.

Mr. Mason: Well, that's reassuring, Mr. Speaker.

Again to the Premier: why did the government leave the false impression with the news media and the public that there would be a \$4 million savings by building the ring road as a P3 when the government knew that it could just as easily have cost \$41 million more to do it?

Mr. Klein: Mr. Speaker, to set the record straight, this hon. member would have us take \$43 million out of the bank. As I said to the media: \$43 million for the Anthony Henday, \$43 million for something else, \$43 million for something else, \$43 million for something else. Pretty soon you're up to \$430 million, and then double that and you're close to a billion dollars. You know, they talk about \$43 million as if it's peanuts.

Relative to the actual costs of the project, I'll have the hon. minister respond.

The Speaker: Well, I think we'll get back to the next one, perhaps. The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. To the Premier: why does the government keep pretending to be transparent about P3s when they fail to disclose information relative to the actual costs if the government had built it through conventional means? Will he table the documents?

Mr. Klein: Mr. Speaker, I'll defer to the hon. minister.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. The number that the hon. leader of the third party is referring to is \$451 million, which was a public-sector comparator, which was a public-sector estimate on that particular project. On any public-sector comparator there is a 10 per cent on either side, which brought it up to \$497 million. The actual amount came up to \$493 million. [interjections] The Auditor General has been involved in every step of the process. If they want to laugh, laugh at the Auditor General.

Senate Reform

Dr. Morton: Mr. Speaker, a majority of Canadians in every province support reform of the federal Senate to make it an effective and elected body. A triple-E Senate has been the priority of Alberta governments for the past 25 years. Thanks to our Premier, Albertans were given the opportunity to elect four new Senators-elect last November. Unfortunately, the Liberal Prime Minister of Canada has now indicated that he will not appoint the four Alberta Senators-in-waiting as part of his new round of Senatorial appointments. My question is to the Minister of International and Intergovernmental Relations. What is the Alberta government doing to push ahead the issue of Senate reform and get our elected Senators appointed?

The Speaker: The Minister of International and Intergovernmental Relations.

Mr. Stelmach: Thank you, Mr. Speaker. Well, Alberta has taken the most significant step compared to any jurisdiction in Canada, and that is to offer Albertans a choice of electing a list of Senators to be appointed by the Prime Minister. What has happened is that even though the Prime Minister talked about some democratic reforms, he stepped away from taking, I think, a leadership role and appointing at least one of the four to the three vacant positions we have

currently in Alberta. Since the election, the Premier and I have written to our counterparts. The Premier wrote to the Prime Minister asking him to select from the list. I have met with our counterpart in Quebec, our counterpart in Ottawa. We have met with all of the Senators-elect to talk about the next steps, and we are proceeding quite vigorously with other jurisdictions on this particular file.

Dr. Morton: To the same minister: do you have other plans to push the appointment of Senators to the second Chamber? Going forward from now, please.

Mr. Stelmach: Mr. Speaker, we are committed to Senate reform. This year our Premier will be chairing the Council of the Federation. The Council of the Federation, to Albertans, is the meeting of all of the Premiers and territorial leaders, and that will be held in Alberta this year with our Premier chairing. At this time we're working with the four Senate nominees to see how we can move this onto the agenda. One of them, of course, is to work with department officials in setting up a schedule for the four nominees to talk to other provincial counterparts and also to the federal government in promoting Senate reform in this country.

The Speaker: The hon. Member for Foothills-Rocky View.

Dr. Morton: No further questions.

The Speaker: The hon. Member for Calgary-Mountain View, followed by the hon. Member for Cypress-Medicine Hat.

1:50 Game Farming

Dr. Swann: Thank you, Mr. Speaker. The minister of agriculture yesterday clearly demonstrated his lack of understanding of the science of chronic wasting disease and other TSEs and the threat they pose. To the Premier: does the Premier recognize the danger of chronic wasting disease, and will he ensure that we eliminate the possibility of risk materials entering both the human food chain and the animal food chain?

Mr. Klein: Mr. Speaker, I'm going to have the hon. Minister of Agriculture, Food and Rural Development respond. But in answer to the preamble, certainly I'm aware and concerned about the risks relative to CWD and BSE or any other disease that affects animals that might have an impact on the public as well.

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. First of all, I have a fairly good knowledge of the risks associated with CWD, BSE, and CJD, or Creutzfeldt-Jakob disease, that's associated with BSE. As I said yesterday, there has never been a case of CJD that's been linked back to chronic wasting disease, and to suggest that there's a health risk in Canada when there is no science to support that association is irresponsible to the industry in this province. I would suggest that perhaps the hon. member doesn't understand the industry as well as the science.

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. To the Premier: if the science does indicate a human health risk, will he commit to a ban on all game farming activities, including the movement of animals and their products?

The Speaker: Hon. Premier, that's speculation.

Dr. Swann: Mr. Speaker, will the Premier finally fulfill his written commitment of December 1992? And I quote: I am fully committed to putting the privatization/commercialization of wildlife issue through a thorough and public assessment.

Mr. Klein: Mr. Speaker, that's a legitimate question. That has indeed been done. As a matter of fact, there was a great debate in caucus – I don't know if it took place in the Legislature – relative to not game farming so much as game shooting of wildlife that is domesticated on game farms. That was rejected quite soundly. But we are diligent in making sure that any material that poses a risk to animals or humans is kept out of the animal food chain and, more importantly, the human food chain.

The Speaker: The hon. Member for Cypress-Medicine Hat, followed by the hon. Member for Lethbridge-East.

North American Trade

Mr. Mitzel: Thank you, Mr. Speaker. My question is for the Minister of International and Intergovernmental Relations. There's no doubt that Alberta's trading relationship with the U.S. is a vital part of our economy. In 2003 U.S. imports made up almost 90 per cent of Alberta's exports, by far our most important export market. Albertans are concerned about the ongoing trade irritants such as softwood lumber and BSE. U.S. trade laws are extremely complex, therefore making it difficult to resolve trade issues that affect Alberta's industry. Can the minister tell the House what Alberta is doing to push for freer open trade?

Mr. Stelmach: Mr. Speaker, the hon. member is correct. There are a number of very serious trade issues, most importantly BSE and, of course, softwood lumber. The department has been working very closely with our federal counterparts in trying to find some solutions to these outstanding issues. Clearly, Alberta has pushed forward some new ideas with respect to North American trade. For example, we're looking at a customs union, a NAFTA-plus solution to deal with these very complex trade issues, that are costing our economy virtually billions of dollars.

The Speaker: The hon. member.

Mr. Mitzel: Thank you, Mr. Speaker. I have a follow-up question to the same minister. A tri-national report on March 14 calls for harmonized trade tariffs for nations outside North America as well as a North American energy strategy. Has the government of Alberta been consulted, and will the government of Alberta be a full partner in the development of Canada's position?

Mr. Stelmach: Mr. Speaker, the study in question is an important step in the direction of dealing with some of these trade issues. Really, among the proposals is one of common low tariffs, and another one is looking at the whole regulatory regime, not only Canada/U.S. but Canada, U.S., and Mexico. We will be working very closely with the federal government, of course, because they'll be at the table dealing with these issues, to see how we can best position Alberta's interests.

The Speaker: The hon. member.

Mr. Mitzel: Thank you, Mr. Speaker. My final supplement is for

the Minister of Agriculture, Food and Rural Development. What effect will the Canadian Cattlemen for Fair Trade's NAFTA challenge have on the USDA's next actions in overturning the Montana judge's decision?

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. We believe that it's in the best interests of the USDA and the government of the United States to appeal the decision as soon as possible, and we wait moment by moment for that decision to happen. In order for the appeal to be successful, we believe that the USDA should be concentrating as many resources as they possibly can towards that effort.

It's important to remember that under chapter 11 the challenges are about financial damages, so even if the border were to open – and we hope it opens very, very soon – the Canadian Cattlemen for Fair Trade would still be available to go forward with their challenge for damages, Mr. Speaker.

The Speaker: The hon. Member for Lethbridge-East, followed by the hon. Member for Calgary-McCall.

Rural Development Strategies

Ms Pastoor: Thank you, Mr. Speaker. This government has entered into another rural development strategic plan. These plans seem high on ideals but small on delivery, for example the transfer of ambulances, leaving rural municipalities underfunded. To the Minister of Health and Wellness: what other areas are being ignored, such as attracting doctors to rural communities?

Ms Evans: Mr. Speaker, I have been meeting with the family physicians and the rural physicians on this very subject. I think we're well planned, and there's a good strategy that helps not only the rural doctors but their families accommodate to life in rural Alberta. There's extensive work going on with the communities, with the health authorities to make sure that there's work done to network and make rural physicians feel comfortable in communities. With our ARP, our alternative compensations for doctors involved in academic institutions – it gives them an opportunity to earn money as sessional lecturers – we are doing a lot to both place those physicians in rural communities and to network them with local academic institutions.

The Speaker: The hon. member.

Ms Pastoor: Thank you. To the minister of infrastructure: when will this ministry implement the recommendation of the rural development strategy to keep rural schools open?

The Speaker: The hon. Minister of Infrastructure and Transportation.

Dr. Oberg: Well, thank you very much, Mr. Speaker. It's absolutely great to be able to talk on that question. Rural Alberta has some very interesting demographics these days. One of the things that is occurring is that the number of students in rural Alberta actually seems to be decreasing. One of the challenges that we have is keeping the rural schools open so that those kids that are in rural Alberta will have exactly the same learning opportunities that the kids do in urban Alberta. One of the ways – and we could go on and on with all the ministries here, such as the Minister of Restructuring and Government Efficiency to deal with the SuperNet. Mr. Speaker,

quite simply, we are very much in favour of keeping rural schools open and keeping good education for the rural students.

The Speaker: The hon. member.

Ms Pastoor: Thank you. To the Minister of Restructuring and Government Efficiency: what help other than building the twice-delayed SuperNet can this ministry offer the other ministries to properly implement the rural development strategy?

2:00

The Speaker: The hon. minister.

Mr. Ouellette: Thank you, Mr. Speaker. I was one of the authors of the rural development initiative, and I'm going to grow my rubber arm here and pat myself on the back because I thought it was a very good strategy.

SuperNet was a part of that strategy, and it will help with schools that are going down in population a little bit. In fact, in the last two weeks we've just lit up 26 more communities, I think I have here. We've opened up Acme, Barnwell, Bearspaw, Beiseker, Bezanson, Bow Island, Burdett, Caroline, Coaldale, Cremona, Crooked Creek, Falun.

The Speaker: The hon. Member for Calgary-McCall, followed by the hon. Member for Edmonton-Centre.

Alberta Office in Washington

Mr. Shariff: Thank you, Mr. Speaker. I understand that the Premier will be travelling to Washington, D.C., next week to officially open the Alberta office in Washington. My questions are to the Minister of International and Intergovernmental Relations. What is the role of the Alberta office in Washington, D.C.?

Mr. Stelmach: Mr. Speaker, since 90 per cent of Alberta's exports go to the United States of America, it makes very good sense to have a full-time presence in Washington. We found out very clearly during the BSE announcement in 2003 that we didn't have a go-to person. Essentially, the role of the office there is to build relationships with our American counterparts. You know, it's a full body contact sport. You have to see the people across the table, meet them on a regular basis, and get Alberta's point of view across to every decision-maker in Washington.

The Speaker: The hon. member.

Mr. Shariff: Thank you, Mr. Speaker. My first and only supplemental question is also to the Minister of International and Intergovernmental Relations. What has the Alberta office done so far to get the attention of decision-makers in Washington, D.C.?

Mr. Stelmach: Mr. Speaker, clearly, since the office has been fully staffed, our envoy there has had two very important articles in the *New York Times*, explaining Alberta's position on energy. It has also set up many meetings with state representatives, met with many of the policy decision-makers. I might add that when we talk about body contact sport, we've got a person that's a good weight to carry on the duty for us in Washington.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Beverly-Clareview.

Fabry Disease

Ms Blakeman: Thank you, Mr. Speaker. Fabry disease is a rare, life-threatening genetic disorder that causes patients to suffer excruciating pain and often leads to kidney and heart failure as well as strokes and premature death. A treatment is available for Fabry patients, but because of the high cost for that treatment, Fabry sufferers cannot afford it on their own. My questions are to the Minister of Health and Wellness. When will the government give Albertans suffering from Fabry disease assurance of the ongoing access to enzyme replacement therapy they so desperately need?

Ms Evans: Mr. Speaker, I'm going to say two things. First of all, I want to thank the hon. member opposite for alerting our office to the fact that this disease was going to be mentioned in the House today because it's clearly very important for those that are enduring pain and suffering, usually in the fifth decade of their life, to know what is happening with this.

Because of a concern because both Fabryzyme and Replagal were not going to be available, according to the information we had from the drug providers, I raised with the federal government the question about this type of therapy being provided for patients in Alberta or across Canada, where we have some, I believe, 250 people suffering, about 15 in Alberta. What has been initiated is a review at the national level of how we can conduct clinical trials of this type of therapy when, in actual fact, there are only about 3,000 people worldwide with this disease, and the normal number of people to have such therapeutic assessment is much higher. What the national government has initiated in co-operation with British Columbia, Alberta, Ontario, and Nova Scotia is a review of whether or not we can place a different trial methodology in place to make sure that we can more fast-track these kinds of approvals for patients.

The Speaker: The hon. member.

Ms Blakeman: Thank you. What we need to know is if the minister is going to help these people. Will you provide bridge or interim funding for the enzyme replacement therapy today until an orphan drug policy or the results of your review come into effect in Canada? How do they get from today to then?

Ms Evans: In fact, a bridging program will be in place, and next week our officials will be talking again federally about a national program that can assist with this. I believe it's fair to say that the federal minister is also engaged. This is a national regulatory problem as well.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Finally, will the minister be willing to meet with Fabry sufferers before the end of the month to explain this to them personally?

Ms Evans: Mr. Speaker, I cannot promise or commit to meet with Fabry sufferers individually or collectively before the end of the month; I am rather cramped for time. But I can assure Fabry sufferers and will do so, both with this type of communication and others, that we are working to do our due diligence so that the most important thing that can happen will be some support for Fabry sufferers with this very costly therapy, which runs at about \$300,000 per patient per year.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Calgary-West.

Border Closure to Canadian Cattle

Mr. Martin: Thank you, Mr. Speaker. The government strategy for opening the U.S. border to Canadian cattle is twofold: one is hope and pray, and the real trump card is to cozy up to George Bush. Now, no wonder the government is failing to support grassroots Alberta cattle producers, who are launching a legal challenge under NAFTA on their own time and at their own expense. My question is, of course, to the hon. Premier. How can the government justify turning its back on grassroots Alberta producers, who unlike this government understand that you sometimes have to play hardball with Americans to get their attention?

Mr. Klein: Well, Mr. Speaker, you know, the whole issue of retaliatory action has been discussed, and we decided not to do it because we do value our relationship with the USDA and the United States administration. I value, personally, my relationship with Vice-President Dick Cheney. I value my relationship and the government's relationship with President Bush. We value our relationship with the Secretary of Agriculture in the U.S. administration. That is the administration of the U.S.

There's a different tone, of course, within the political arm, particularly the Senate, and there's a different tone within the judiciary. The group of cattle people the hon. member alludes to are seeking redress on the judicial side, but we will seek to maintain a very strong and meaningful relationship with the administration.

Mr. Martin: It's nice that you're a buddy with Dick and George, but I guess the question that Alberta producers want to know is: how's it working for you so far in getting the Alberta border opened?

Mr. Klein: I'll tell you, Mr. Speaker, it's better to be buddies with those people than some of the ND leaders who have come across unsuccessfully in this country from time to time. I'll tell you that for sure. But I'll have the hon. minister respond.

Mr. Horner: Thank you, Mr. Speaker. I take a little bit of offence to the comments that we are leaving our producers high and dry on this issue. We are not. In fact, if the hon. member would care to contact the industry and ask them what their opinion is, he would find that we are working hand in hand with their strategies, including the Alberta Beef Producers, including the Canadian Cattlemen's Association, including the American Meat Institute, including the National Cattlemen's Beef Association in the United States, including the National Meat Association in the United States, including the USDA.

It's unfortunate, Mr. Speaker, that R-CALF, being the left-leaning protectionist group that they are, is closer to the hon. member's thinking than ours is, and it's probably unfortunate that he's not getting that.

2:10

Mr. Martin: Well, there's a third strategy, Mr. Speaker: meetings.

I guess my question, then, is to either the Premier or the minister of agriculture. What exactly is the downside in supporting grassroots Alberta cattle producers on their challenge? What is the downside to this?

Mr. Klein: Mr. Speaker, I'll have the hon. minister supplement, but I can tell you that the six-point program that has been put in place by this department of agriculture, the Alberta department of agriculture, has gone a long way to sustain the beef industry in this province. I'll have the hon. minister supplement.

Mr. Horner: Well, Mr. Speaker, it's unfortunate the hon. member hasn't talked to some of his NDP colleagues across Canada as well because I can tell you that the federal/provincial ministers are working hand in hand in this on a team. They agree with the approach that we've taken. The Alberta beef industry agrees with our approach, and those are the grassroots people who are involved in this industry.

We are also taking initiative through our Washington office and legal counsel and legal advice there as well as working, as I said, hand in hand with the legal counsel of the Alberta Beef Producers, with the Canadian Cattlemen's Association, and with the other farm organizations that are most definitely affected by this issue.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Rutherford.

Electricity Costs

Mr. Liepert: Mr. Speaker, a study on electricity prices by the internationally recognized London Economics group referenced this week at a conference in Banff has concluded that, in fact, purported lower rates in Ontario and Manitoba aren't such a bargain after all with hidden costs such as taxpayer-funded development of power plants, therefore making Alberta's rates very competitive. My question is to the Minister of Energy. Has he seen the report, and if so, is he prepared to table it in this Assembly so all members, including the opposition, have all the facts when it comes to questions on electricity rates in Alberta?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I am aware of the report. I have not yet seen the report. It's being finalized later this week. We're hoping it will be available next week. When it is available, I'll be more than happy to table that report so all members of this Assembly can see that Albertans truly are getting good value for their electricity and that there is an Alberta electricity advantage.

The one thing I would like to say is that there are two key factors that came out of that report. One, it does talk about how electricity is generated being a very key part of cost of electricity. Those that have substantial amounts of hydroelectricity have the cheapest power. One of the topography issues of Alberta is that we don't have a lot of hydroelectricity.

Secondly and probably more important to see is that in most of the other jurisdictions the provinces accumulated debt, be it through Crown corporations or directly onto their own provincial books, to build and/or pay for this. If you just took Ontario as an example, if the debt that they've accumulated was added to the bill of every Ontario resident, it would add \$100 per month for five years to pay for the debt that they've not put through the electricity bill.

Mr. Liepert: Again to the same minister: is he aware of any similar studies being undertaken which show the true cost of power generation to the taxpayer?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. There have been a number of studies to date looking at and comparing electricity costs across this country and in North America. Not many of them, if any, have really gone into the true costs of electricity, as the hon. member had suggested. But we do know that if the provinces had shown the true costs, if they had allocated all the costs to the electricity bill, their

bills would likely have been in the range of 25 to 30 per cent higher. Those are being added through the taxpayer rates. Those costs, at least in Alberta, are clear, are transparent, and are known.

I could cite that even without that, by comparing some bills across the country – Quebec Hydro, for example, did a survey. They said that Edmonton had the cheapest power rates out of 21 jurisdictions in North America. The only four that beat Edmonton's rate happened to have been hydrogenerated areas and none of them with the substantial growth that Alberta has had.

Mr. Liepert: A final supplementary, Mr. Speaker. As a result of studies and facts and data, what benefits do Albertans receive because we have a competitive marketplace in power versus Crown-owned utilities?

The Speaker: Well, hon. minister, we're getting into a lot of opinions here with respect to government policy, so I think we're just going to move on.

Mr. Melchin: Mr. Speaker.

The Speaker: You have an answer that's brief?

Mr. Melchin: Yes, Mr. Speaker. I think it's important. Given all the talk that goes out trying to put innuendos that electricity deregulation hasn't worked, it's important that we also talk about the many successes that have been accomplished. Over 3,300 megawatts of power . . .

The Speaker: Hon. minister, I could not agree with you more. This is not a debate. I ask you and the hon. member to read *Beauchesne* 407, 408, 409, 410, and a whole bunch of others.

The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Grande Prairie-Smoky.

Public Service Pension Appeals

Mr. R. Miller: Thank you very much, Mr. Speaker. Every day I'm hearing concerns from retired public-sector employees from all across this province regarding the serious concerns that they have with the funding of their pensions and expressing concerns with the inadequate appeals process. My question is to the Minister of Finance. Why does this minister allow a pension appeal process that leaves thousands of Albertans feeling frustrated?

Mrs. McClellan: Well, Mr. Speaker, I have not been made aware by any of the groups in the pension plans that they are dissatisfied with the appeal process. I'd be more than happy to receive that information from the hon. member with some documentation.

We take the management of pensions very seriously, and the pension board takes the management of pensions very seriously. Certainly, if the hon. member has some information that he would like to share with me on the appeal process, I'd be very pleased to sit down and talk with him about it and look at it.

Mr. R. Miller: It's on its way.

To the same minister, then. Why doesn't this government follow the example of British Columbia and publish very clear guidelines for pension appeals on the government's websites just like B.C. does?

Mrs. McClellan: Mr. Speaker, again a very good suggestion. I'll take that.

Thank you.

The Speaker: The hon. member.

Mr. R. Miller: Thank you, Mr. Speaker. Then to the same minister: can the minister explain to average Albertans why Steve West gets \$180,000 severance for eight months' work, while Martha and Henry can't get any satisfaction on their pension appeals?

Mrs. McClellan: Well, Mr. Speaker, I think that's a bit of a stretch tying those two issues together. One is strictly a contractual arrangement. Pensions, of course, are a contractual arrangement also but of a very, very different kind because you're looking at retirement dollars in those cases.

As I indicated in my first answer, if indeed thousands of Albertans are concerned because they haven't an appeal process that's satisfactory to them, if thousands of Albertans are concerned that they're not getting the information they require, if you would share that information with me. I have to tell you, Mr. Speaker, that I am not getting, indeed, even tens of letters on the issue, let alone thousands. But I take the hon. member at his word. If he's getting that kind of information, share it. We'll discuss it, and we'll look at ways that we can rectify it.

The Speaker: The hon. Member for Grande Prairie-Smoky, followed by the hon. Member for Edmonton-Manning.

Energy Innovation Network

Mr. Knight: On Wednesday, March 16, a simultaneous launch of the Energy Innovation Network took place in Calgary and Ottawa. The announcement indicated that Alberta in association with other provincial jurisdictions and the federal government will partner with industry and postsecondary institutions to explore innovation programs to enhance Canada's energy future. To the Minister of Innovation and Science: what assurances can the minister give Albertans that public money supporting this initiative will be productive?

The Speaker: The hon. minister.

Mr. Doerksen: Thank you, Mr. Speaker. The Energy Innovation Network, otherwise known as EnergyINet, has been work that's been under way for a couple of years, initiated by the Alberta Energy Research Institute, which really looks to solve and address two long-term problems, and that is having a secure long-term energy supply for all Canadians as well as making it environmentally responsible. So innovation is at the convergence of energy and the environment, and I'm convinced that this is going to be successful because we do have the support of a number of different provinces, the industry, and the federal government. Frankly, Mr. Speaker, this is an issue that affects all Canadians, and we have to address this on a long-term, strategic, priority basis.

2:20

The Speaker: The hon. member.

Mr. Knight: Thank you, Mr. Speaker. To the Minister of Energy: to what extent has the energy industry in Canada come on board to support this initiative?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. Industry is a major significant partner of this initiative. They see it to their benefit that

we continue to view and pursue technologies to improve our extractions and integration of extraction of the hydrocarbon resources that are here. Just as an example, we leave about 40 per cent of the gas and 72 per cent of the oil in the ground in the conventional oils. Just a minor improvement in technology, and we'll find a whole new Alberta underground.

The Speaker: The hon. member.

Mr. Knight: Thank you, Mr. Speaker. To the Minister of Environment: what does this initiative do to ensure environmentally responsible development of energy projects?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. I think the pieces of this puzzle are: on one point we have environmental principles; on the other side we have economic principles. How we link these two principles together is through what I refer to as the technology that the ministers have talked about, and that technology is the link in terms of how we act responsibly to demonstrate to future generations that we are and continue to be good stewards of our environment.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Drayton Valley-Calmar.

Physiotherapy Services

Mr. Backs: Thank you, Mr. Speaker. Strains and sprains are among the most common workplace injuries. Lost time and productivity from these injuries are a huge cost to employers, workers, and the WCB system. With public treatment like physiotherapy scarce because of health region restriction and delisting because these regions aren't funded properly, Albertans now look to workplace health plans and the WCB for relief. My question is to the Minister of Human Resources and Employment. Why is this government shifting the cost in provision of these health services to private health plans and the WCB?

Mr. Cardinal: Mr. Speaker, that's a very good question. To start with, it is an issue that's been around a long time, but as you're aware, the WCB is an independent operation funded fully – funded fully – by the private industry, and it's managed by the private industry. We have as a government, of course, legislation to ensure that proper coverage is provided to employees and employers out there.

In relation to selecting the processes they use in order to look after the medical issues they may run into, it is a decision that they make that we're not involved in.

Mr. Backs: A supplementary question, Mr. Speaker, to the Minister of Restructuring and Government Efficiency. Is the emphasis on government restructuring dedicated to cutting services and creating additional and expensive payroll costs for Albertans and Alberta employers?

Mr. Ouellette: Mr. Speaker, that's a great question because the answer is: absolutely not.

Mr. Backs: Another question to the same minister: is the restriction on physiotherapy services an attempt to create lower wage, private, profit centres for friends of this government?

Mr. Ouellette: Absolutely not, Mr. Speaker. Thank you.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-McClung.

Pork Exports

Rev. Abbott: Thank you, Mr. Speaker, and Happy St. Patrick's Day to you as well. As I was eating my bacon and eggs this morning, I was thinking about some of my constituents who are hog producers. They're concerned by a recent U.S. government decision on pork tariffs. Although they were pleased at the ruling that they are not receiving unfair government subsidies, the antidumping duty was upheld. My questions are all for the Minister of Agriculture, Food and Rural Development. What is the government doing to ensure fair trading relations with the U.S.?

Mr. Horner: Well, Mr. Speaker, it is a topic that's been covered quite substantially in the House today in question period, but I can agree with the hon. member that we're quite concerned about groups in the United States that resort to trade actions rather than sitting down and negotiating good trade agreements. The protectionist trade actions impose wide-ranging costs on all of our industry, Mr. Speaker.

As the hon. member mentioned, we were pleased the U.S. government dismissed the claim that Canadian hog producers are unfairly subsidized, but on the other side of the coin, we were clearly disappointed with the antidumping ruling. It is an investigation that is ongoing right now and will continue. The antidumping investigation is not finished. The U.S. International Trade Commission has to make its final injury determination. Right now the U.S. is experiencing record pork exports and a period of strong prices, which we believe will make it difficult to argue that the U.S. producers are being harmed by any imports from Canada, Mr. Speaker.

The Speaker: The hon. member.

Rev. Abbott: Thank you, Mr. Speaker. My only supplemental is to the same minister. What does this ruling really mean for Alberta's pork producers?

Mr. Horner: Well, Mr. Speaker, a little clarity is probably required. At this stage, no antidumping duties will be imposed on swine exports. However, the U.S. will require bonds or cash deposits on swine imports to be posted by the importers of record. The U.S. investigation into the matter is not over, as I said, but we do expect a final determination to be made on April 18. We remain confident, as I said, that the investigation will show that this is not harming American producers.

The Speaker: Hon. members, before calling on the first of four to participate today, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It's a pleasure for me to rise today and introduce to you and to all members of this Assembly eight students from the Rosedale Christian school in my riding accompanied by Miss Diane Klassen, Mrs. Janet Wohlgemuth, Mr. Lee Wohlgemuth, Mrs. Brenda Schartner, and Mr. Delmar

Schartner. They're visiting today and having a tour of the Legislature and have an opportunity here to see question period in action. I would ask them to rise, please, and to receive the warm welcome of this Assembly.

The Speaker: Hon. Member for Peace River, you introduced your charges a little earlier, but they weren't here. Do you want to say something again?

Mr. Oberle: Thank you, Mr. Speaker. The guests that I introduced to the record moments ago have now arrived in the gallery, and I would like to take this opportunity to formally introduce to you and through you to all members of this House a group of 34 students from the La Crete public school accompanied by eight adults. They've travelled about as far as you can travel in Alberta to visit our capital, and I ask these great champions of highway 88 to please stand and accept the welcome of this House.

head: **Members' Statements**

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

Mountain of Heroes Foundation

Mr. Rodney: Thank you very much, Mr. Speaker. I rise today to share an Albertan good-news story. The Calgary-based Mountain of Heroes Foundation recently held their inaugural awards gala dinner. Five local citizens were honoured.

Christianna Wood-Roddick, who initiated "Christianna's cause" at the tender age of 10. After the tragic death of her mother a year ago Christianna has raised \$35,000 for the Aventa program, which her mother founded. Aventa is an AADAC funded group that attends to the addiction treatment of women.

Eva Davis, a concentration camps survivor, has raised two successful sons, run a small business, and taught tolerance to a whole new generation, partially through the gift of song.

Kevin Mark was on his way to the NHL in 1982 before he was paralyzed from the neck down during a hockey game. He's now an accomplished engineer and a distinguished speaker who has personally raised over \$300,000 for the Calgary Handi-Bus Association.

As a youth Pat Nixon was aimless and living on the street. He's gone on to become the executive director for the Mustard Seed Street Ministry, which not only provides food and lodging for the homeless but also supplies employment training to get its clients off the street.

Finally, Dr. Harvey Rabin founded the southern cystic fibrosis adult clinic at the Foothills Hospital in 1979, and he continues to run it today although he is not paid for his time spent as clinic director.

Mr. Speaker, my wife, Jennifer, and I founded the foundation a few years ago, and we thank our board members: Nicki Perkins, a CF survivor who chaired the awards event; her husband, Dean Perkins; Colleen and Dave Zeller; and Wayne Logan.

We shared a wonderful evening with our heroes, our sponsors, the public, and the media. Proceeds from the event were dedicated to fund the research of Dr. Mody, a Calgary scientist who is doing world-class work on cystic fibrosis.

Thank you, Mr. Speaker, for allowing me to share this good news story.

The Speaker: The hon. Member for Lacombe-Ponoka.

2:30 **Canadian Agricultural Safety Week**

Mr. Prins: Thank you, Mr. Speaker. I rise today to recognize and

bring attention to the Canadian Agricultural Safety Week campaign, which ran March 9 through to the 16. This year's theme was Safety is in the Details, with a focus on seniors on the farm. Farmers over the age of 60 represent only 13 per cent of the farming population, but they accounted for almost 40 per cent of the total farm-related deaths in the past five years. One death is too many. This number is unacceptable. We must do better. In 2004 there were more than 1,500 farm-related injuries and 15 farm-related fatalities in Alberta. Sadly, five were children.

Alberta Agriculture, Food and Rural Development plays an active role in providing farmers with information that promotes farm safety year-round. This year Alberta Agriculture is involved with a number of contests to increase farm safety awareness among people of all ages. The highlight of this year's safety week was Farm Safety Idol, which encouraged people to nominate someone they believe is a role model for farm safety. A farm safety newsletter and a kids' club were also launched.

With more than 50,000 farms in Alberta many Albertans are already aware of the importance of safe farming practices. Canadian Agricultural Safety Week aims to increase awareness for people working at and visiting farm operations because we want Alberta farms to continue to be a safe place to grow.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Aboriginal Workforce Participation Initiative

Mr. Knight: Thank you, Mr. Speaker. On March 3 the Minister of Aboriginal Affairs and Northern Development signed an historic agreement, the aboriginal workforce participation initiative, in the city of Grande Prairie. I say historic because this partnership is the first such agreement between Canada, a province, and a municipality.

Mr. Speaker, we are becoming increasingly aware of the skill shortages faced by employers across Canada, especially in the resource-rich areas of our province. We know, too, that aboriginal people, the fastest growing segment of the Canadian population, constitute an increasingly educated, readily available local workforce eager to take their place in our economy.

Therefore, aboriginal workforce participation initiative agreements like the one signed in Grande Prairie represent a win-win solution for all of us. This partnership brings together provincial ministries including Aboriginal Affairs and Northern Development and Alberta Human Resources and Employment, the federal government, forward-thinking municipalities such as Grande Prairie, and our world-class education system. Most importantly, the AWPI bridges relations between employers and Alberta's First Nations and Métis people.

Under the aboriginal workforce participation initiative employers undertake to identify both systemic and attitudinal barriers within their workplaces and to work with aboriginal people to reduce or eliminate those barriers. This is another milestone on the road to successful employment strategies for Grande Prairie and region and the full participation of local aboriginal people in Alberta's economy.

Thank you, Mr. Speaker.

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

Ethical Investments

Mr. R. Miller: Thank you, Mr. Speaker. Last week in this Assembly I asked some serious questions of the Minister of Finance

regarding ethical investing or lack thereof of the Alberta heritage savings trust fund. Albertans are particularly concerned about the investment of \$10 million in various tobacco companies, but I expanded the questioning to include companies that have questionable human rights records. They might be involved in child labour or even perhaps the manufacturing of weapons of mass destruction. The Minister of Finance clearly stated that the overriding consideration of the Investment Operations Committee was the return on investment or, in other words, how much money we can make regardless of morals or ethics.

She went on to correctly point out that the Standing Committee on the Alberta Heritage Savings Trust Fund is an all-party committee. In fact, Mr. Speaker, this committee did meet this past Monday, and I'm very pleased to inform the Assembly that the two opposition members who sit on the committee did raise the issue of ethical investing. It was at that time reinforced by government members on the committee that return on investment is the primary factor in deciding whether or not to make an investment in any given company.

This raises serious questions, again, as to where we would draw the line. There are now several pornography websites which are publicly traded, and they return a very handsome profit to their shareholders. The same is true of a number of offshore brotels, again known to be quite a profitable industry in jurisdictions where prostitution is legalized. What if marijuana were ever to be legalized? Are we going to be the proud shareholders in legalized grow ops just because we can make a quick buck?

Mr. Speaker, Talisman Energy is an example of a company which recognized and responded to legitimate public concerns. It is our sincere hope that the Heritage Savings Trust Fund Committee will listen to the advice of our members and do the same.

head:

Presenting Petitions

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Speaker. I would like to present a petition with 310 signatures on it. The petition urges the government to institute a fair and equitable floor price for cattle.

Thank you.

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

Mr. Backs: Thank you, Mr. Speaker. I'd like to present the first 102 petitioners on a petition asking the government to "prohibit the importation of temporary foreign workers to work on the construction and/or maintenance of oil sands facilities and/or pipelines." Many of them, I just note, are from the fine Alberta communities of Mirror, Vermilion, Sexsmith, Coleman, Bashaw, Pincher Creek, Leduc . . .

The Speaker: It's not really required, hon. member.

head:

Notices of Motions

The Speaker: The hon. Minister of Education and Deputy Government House Leader.

Mr. Zwodzesky: Thank you. Mr. Speaker, I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on Monday I will move that motions for returns appearing on that Order Paper do stand and retain their places.

head: **Introduction of Bills**

The Speaker: The hon. Government House Leader.

**Bill 30
Appropriation (Interim Supply) Act, 2005**

Mr. Hancock: Thank you, Mr. Speaker. I request leave to introduce Bill 30, the Appropriation (Interim Supply) Act, 2005. This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 30 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. As chair of the Standing Committee on Legislative Offices I would like to table the following documents: the report of the Auditor General on the Alberta government's BSE-related assistance programs, dated July 27, 2004, and distributed to hon. members on August 3, 2004, and the 2003-2004 annual report of the Auditor General of Alberta, distributed on October 4, 2004.

Thank you.

The Speaker: The hon. Minister of Innovation and Science.

Mr. Doerksen: Thank you, Mr. Speaker. I'd like to take this opportunity to table an information kit describing the Energy Innovation Network, known as EnergyINet, which was launched yesterday in Ottawa and Calgary. Through this unique collaboration of industry organizations, federal and provincial governments, and the research community, EnergyINet will initiate and support the development and application of new technologies to ensure a long-term supply of environmentally responsible energy for generations to come. I will ensure that each member of the Legislature also gets a copy.

The Speaker: The hon. Member for Strathcona.

Mr. Loughheed: Thank you, Mr. Speaker. As chair of the Premier's Council on the Status of Persons with Disabilities I'm pleased to table the 2004 annual report.

Mr. VanderBurg: Mr. Speaker, I would table five copies of a petition presented to me requesting "government funding to establish the building of a long term care facility in the Village of Onoway."

Thank you.

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

Mrs. Jablonski: Thank you, Mr. Speaker. I rise today to table five copies of a document entitled Life and Death Sentence of The Addicted Child, written by Maralyn Benay. The document reviews the life-and-death sentence of addicted youth and strongly supports Bill 202, the Protection of Children Abusing Drugs Act, or PCAD.

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

2:40

Mr. MacDonald: Thank you very much, Mr. Speaker. I have three

tablings this afternoon, a follow-up from today's question period. This first is an e-mail from employees of Enron, and it is dated September 2000. It's in regard to Project Stanley and recent meetings with the Alberta government and TransAlta.

The second tabling is also in regard to question period, in regard to the prices set by Powerex and TransAlta, and this is the Market Surveillance Administrator Report on Power Pool of Alberta Prices, Summer 2000.

The third is a memorandum between legal advisers for Enron, in regard to the report that I just tabled. This is dated November 3, 2000, and regards Project Stanley.

Thank you.

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

Mr. R. Miller: Thank you, Mr. Speaker. In response to a comment made by the Finance minister this afternoon and in an effort to aid the process, I'm pleased to table the appropriate number of copies from the British Columbia public service pension plan website outlining in very plain English the appeals process and how it can be accessed.

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

Mr. Backs: Thank you, Mr. Speaker. I've got a few tablings here, and one is from the president of Humpty's Restaurants International Inc. It's to the Premier regarding a province-wide smoking ban, and it calls on the Premier to be a true leader and to let his caucus vote freely with their own hearts and minds on that particular issue.

I also have five copies each of five individual handwritten letters all from government members' ridings regarding requests to deal with the foreign worker issue.

Thank you, Mr. Speaker.

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

Dr. Pannu: Thank you, Mr. Speaker. With your permission I would like to table two documents today on behalf of the leader of the NDP opposition. The first is a background document issued by the Department of Infrastructure and Transportation on January 25 of this year.

The second document, which the leader of the NDP opposition referred to during question period today, is titled MLA Questions and Answers, Anthony Henday Drive South East – Public-Private Partnership.

Thank you, Mr. Speaker.

head: **Projected Government Business**

The Speaker: The hon. Opposition House Leader.

Ms Blakeman: Thank you, Mr. Speaker. According to Standing Order 7(5) I would ask the Government House Leader to share the projected government business for the following week. That would be the week commencing on March 21 to the 24th.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On Monday, March 21, 2005, at 9 p.m. under Government Bills and Orders for second reading and in anticipation of completion of Committee of Supply this afternoon, Bill 27, the Appropriation (Supplementary Supply)

Act, 2005; Bill 30, the Appropriation (Interim Supply) Act, 2005; Bill 18, the Alberta Order of Excellence Amendment Act, 2005; Bill 13, the Railway (Alberta) Amendment Act, 2005; Bill 17, the Agriology Profession Act; and in Committee of the Whole Bill 2, the Alberta Centennial Medal Act.

On Tuesday, March 22, in the afternoon under Government Bills and Orders Bill 28, the Municipal Government Amendment Act, 2005; Bill 1, Access to the Future Act; Bill 3, the City of Lloydminster Act; Bill 7, the Health Statutes Amendment Act, 2005; Bill 8, the Personal Information Protection Amendment Act, 2005; Bill 9, Post-secondary Learning Amendment Act, 2005; Bill 10, Residential Tenancies Amendment Act, 2005; Bill 12, Victims of Crime Amendment Act, 2005; Bill 14, Student Financial Assistance Amendment Act, 2005; Bill 15, Workers' Compensation Amendment Act, 2005; Bill 16, Business Corporations Amendment Act, 2005. On Tuesday, March 22, at 8 p.m. under Government Bills and Orders for third reading Bill 21, Hotel Room Tax (Tourism Levy) Amendment Act, 2005; for second reading Bill 10, Residential Tenancies Amendment Act, 2005, and bills 12, 14, 15, 16, 23, 24, and 25; and under Committee of the Whole Bill 27, Appropriation (Supplementary Supply) Act, 2005; Bill 30, Appropriation (Interim Supply) Act, 2005; bills 1 and 6.

On Wednesday, March 23, 2005, in the afternoon for second reading bills 18, 19, 20, and 22. On Wednesday, March 23, at 8 p.m. Government Motion 15, to engross the Speech from the Throne; second readings as per unfinished second readings from Tuesday and Wednesday afternoons; Committee of the Whole on bills 1, 5, 4, 3, and 6; and third reading of the appropriation bills 27 and 30, and as per the Order Paper.

Thursday, March 24, 2005, under Government Bills and Orders we are anticipating the attendance of His Honour the Lieutenant Governor for royal assent to bills 21, 27, and 30, should they be completed by then, and second and third reading as per the Order Paper.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Marz in the chair]

The Chair: I'd call the committee to order. We'd remind all hon. members that although this is the more informal part of the session and you can leave your seats, to be recognized by the chair, you must occupy your space. Of course, the rules of decorum are the same as in the normal session.

head: **Supplementary Estimates 2004-05
General Revenue Fund and Lottery Fund**

Agriculture, Food and Rural Development

The Chair: I would now recognize the hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Thank you, Mr. Chairman. Perhaps before I begin, if I may, I would like to recognize a couple of individuals in the gallery who are with the department. One is the deputy minister, Mr. Barry Mehr, and the other is the chief bean counter for us at agriculture, Miss Faye Rault. They're up in the gallery to throw things at me if I do something wrong.

Mr. Chairman, the majority of the dollars in the supplementary estimates that we're requesting are to handle the ongoing impacts of BSE on our industry. As well, what's extremely important to point out is that the disaster assistance is offset by increases in federal

transfers relating to these programs. Approximately half of the assistance, \$317.7 million, is allocated to support producers in setting aside calves and market-ready cattle in order to manage the oversupply resulting from border closure.

The remainder of the request is allocated primarily to support the development of new markets and products that will help the industry deal with transitioning into new market realities. More specifically, Mr. Chairman, \$30 million is allocated to support the establishment of a market retention and development fund that, as you are aware, is also now being supported by \$50 million worth of federal dollars in contributions. So I'd say that that was leveraged quite well. Also, \$7.1 million is allocated to support projects that are developing both beef products and markets; \$35 million is allocated to support ongoing research into the development, production, and marketing of value-added food products.

We have also enhanced our surveillance capabilities, Mr. Chairman. Twelve million dollars is allocated to help us ensure that we continue to meet our international testing targets. This is critical to maintaining our stature and branding around the world as a producer of a safe, high-quality beef.

Other ruminants have been impacted by BSE as well. Therefore, \$1 million is allocated to focus on market and product development in this area. As you are aware, the impacts of BSE have spread beyond the beef sector and have impacted the whole farm and farm results. Consequently, the costs of the Canadian agricultural income stabilization program, or CAIS as we call it, are higher than anticipated, so an additional \$86 million is allocated to cover the increased costs of this program, also resulting from the impacts of BSE.

2:50

As you are aware, our industry is also recovering from the most severe droughts experienced in over 130 years. As a result, the farm income disaster program costs were higher than was anticipated, and final payouts in 2004-05 were \$11.2 million higher than what had been accrued and projected.

Similarly, our wildlife damage and compensation programs were also higher due to that drought, \$7.9 million higher than anticipated.

Last, Mr. Chairman, but certainly not least is an additional \$10 million to provide support to ongoing operations for value-added initiatives. These initiatives cover all areas of the industry and are seeing positive results with repayments starting to flow from some of the key initiatives that they are involved in.

Mr. Chairman, that does conclude my explanation of our requests. It's very brief because there are only a few items there. I would prefer to take some questions rather than take up the time of our discussion. If I am unable to give anyone in the House an answer this afternoon, I will certainly seek the assistance of my very capable staff and respond in writing before the end of this session.

Thank you, Mr. Chairman.

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

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to get an opportunity to participate in the discussion on the supplementary estimates for the general revenue fund and the lottery fund this afternoon. Certainly, in the last fiscal year there was significant money spent by the government in the BSE recovery program, close to \$500 million. That's the province's share. Unfortunately, this is a crisis that doesn't appear to be going away any time soon.

We can point as many fingers in different directions as we would like, but the reality is that many of our small producers of beef and beef products in this province are facing significant economic

difficulties. There is no one, regardless of whether they reside in urban or rural neighbourhoods, that does not recognize that this is an extraordinary, unfortunate event, and the farmers and the farming community certainly need our support. The only question would be, certainly, how we provide this support.

Small producers seem to be the ones that are phoning our constituency office, and they are expressing a great deal of frustration. There are claims that the money, some of the BSE assistance programs, are just simply not getting down to them fast enough. We are looking at our supplementary estimates here. It was only three years ago that a former minister of agriculture closed some of the rural ag offices, and I'm wondering if at any time the department has considered reopening some of those.

Certainly from what I'm hearing, there are significant delays in the processing of some of the assistance packages. Farmers, producers themselves are telling me this. Now, with the central office, I guess we could say, in central Alberta perhaps it's time to reconsider reopening some of these offices that we closed. Would it help? I don't know. How much would it cost? I don't know. Perhaps the minister can clarify that not only for this member but for the entire House.

Now, when we're looking at the BSE recovery program, we see that there's \$320 million to be spent. There was a great deal of anxiety expressed last year over the \$400 million that was spent — where did it go? — and the fact that 10 per cent of it went to the largest packers. How are we to ensure that how this \$320 million is going to be disbursed is going to be different?

Certainly, with the margins on cattle — and the hon. minister knows full well the different margins for the American-owned packers in this country and south of the border. They have bigger margins in Canada, particularly in Alberta, and I don't think we need to be providing them with any BSE money. I think we have to ensure that we look after the small producers, the cow-calf operators, through this crisis. I would be grateful and interested to hear the hon. minister's comments on this.

Ag food investment processing. We're indicating here that we're going to spend \$17 million. How much of that money will go to some of the smaller initiatives? I've heard the amount. There has been an increase in processing capacity in this country by 20 per cent in the last two years. Because it would make a big difference to a lot of smaller operators that are banding together and contemplating building their own processing plants, how much, if any, of that \$17 million is going to enterprises such as the one I just mentioned, Mr. Chairman?

Further down we're looking at agriculture insurance and lending assistance. The CAIS program is going to get an additional \$86 million. Certainly, as I said earlier, I would like an update on how long the applications are taking before they're processed and cheques are sent out for CAIS. What are the administrative costs of the CAIS program? For instance, to the hon. minister, if we're going to spend \$86 million here in Canadian agricultural income stabilization, how much of that is going to be used in the administration of the program?

Certainly, I would encourage the minister to pursue scientific investigation, whether it's on a partnership basis with private industry or whether it's a stand-alone project over at the University of Alberta. And I want to see this at the University of Alberta, not at the University of Calgary, at the vet school down there. I still don't understand how that vet school wound up in Calgary, but it did. How much of this money, if any, if going to be used on research into live blood tests to identify a BSE-infected animal? We discussed this earlier in the Assembly in this session, and I would like that clarified at this time. That would be a big step if we could have an affordable live test for BSE.

Meanwhile, now that R-CALF has been successful in their campaign, their lobbying efforts to keep the American border closed to live cattle under 30 months, what consideration is this government taking now to allow, particularly for our export markets to Asia, the demand that some of the Asian markets have that all beef products from all carcasses be tested for BSE? If the American border is not going to open, then we have to look at other markets. We have to give the consumers what they want, and if the consumers want full testing, then I think it is time that we reconsider and provide that.

Particularly, there were two, that I'm aware of, enterprises in the Peace district, one of which unfortunately moved to the B.C. side of the fine Peace Country, but there was interest expressed in having 100 per cent testing. If the Americans are going to deny us access to their markets, then we're going to have to look after ourselves and our producers. Has the hon. minister reconsidered previous government policy in light of the fact that on March 7 our border had not opened?

3:00

At this time I believe I will cede the floor to anyone else, or perhaps the hon. minister has some answers for some of my questions at the moment. In conclusion, Mr. Chairman, we have to be very prudent about how we spend this money. One only has to look at the Auditor General's report from 2003-04. Certainly, it is interesting reading for all members of this Assembly, and there are some very good suggestions here as to how we can administer our BSE assistance packages better.

Thank you.

The Chair: The hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Thank you, Mr. Chairman. I just wanted to make a few comments with regard to the questions raised by the hon. Member for Edmonton-Gold Bar. First of all, I would like to thank him for his support in the endeavours that we've had with the producers and the ongoing crisis that we have. I know he understands that it does affect every point and part of agriculture in Alberta, so I appreciate that. His comments with regard to urban and rural Alberta are taken very much to heart. All Albertans have been involved in this issue for far too long.

In terms of the dollars not getting down fast enough to the producers, I'm going to take a stab in the dark here and assume that that's probably a question with regard to our CAIS payments and how fast they're getting out. Mr. Chairman, as you're aware, 2003 was the first year for the CAIS program, and introducing a program like this during the middle of a crisis like BSE was trial by fire in its best form. The government didn't anticipate the kind of response or the kind of complexity that was going to be required, so putting the new program through its paces during one of the most devastating events to hit Canada's ag industry certainly provided an opportunity to evaluate its overall effectiveness.

As well, as with all new programs we started the CAIS program design process knowing that the specific need we were trying to address was to stabilize producers' income during difficult times. Then we designed that program that we felt would meet that need. Trying to assess producer interest in a program that is not up and running is kind of like the movie *Field of Dreams*. If you build it, they will come, you're hoping. Going into the first year of the program, we made our very best estimate of producer participation and expected payment levels based on our experience with the FIDP program, or the farm income disaster program, and the NISA accounts, or the net income stabilization accounts.

But then, of course, BSE hit and the commodity prices hit, and the magnitude of the BSE crisis and resulting income shortfalls really made it necessary for the governments to go back and amend the CAIS program. It did increase the program expenditures. We've now introduced coverage for up to 60 per cent negative margins by claim year.

So all of those changes, then, had a kind of a ripple effect. In order to give producers more time to consider the CAIS program, especially those producers whose eligibility for the CAIS program had changed as a result of the amendments, we had to then extend that deadline. The end result was that for the 2003 program year we had over 32,000 Alberta farmers elect to participate in the CAIS program, and of those more than 24,000 submitted claim applications. But, more importantly, Mr. Chairman, almost half of those claim applications were received in the two-month period after the original deadline was extended, so we had this massive rush of claims at the very end of the program deadline.

I can tell the hon. member that we've had an update very, very recently: 87 per cent of those claims are processed, resulting in \$176 million that has been paid to producers. I think the hon. member and all members will be glad to hear this. We are on track to have all the 2003 claims processed by March 31 of this year. That is with the exception of those that are missing information. One of the things that I can't stress enough is that when – and this is true of any financial program – you're asked for information, if there's any holding back of the information, if there are any errors in the information, if there are certain parts of it that aren't filled out, it's naturally going to delay the process and the program, and that's been a cause of concern.

It is based on income tax information, so there can be up to a one-year lag between when the disaster strikes and when the producer actually receives a payment under the CAIS program. We recognized that very early on, so to address the more immediate cash-flow difficulties, Alberta introduced the equity loss advances to get money into producers' hands more quickly. We were the only province at that point to do that, and we are now one of few provinces to do that. Ontario doesn't do that. Mr. Chairman, the hon. members will be interested to note this: that alone paid \$250 million into producers' hands. Again, this was kind of an unanticipated side effect of the BSE crisis and low commodity prices.

Going forward, the proposed changes to the CAIS deposit requirement are not expected to have a major impact on our budget expenditures. It'll have a direct consequence if the changes would be to increase participation levels, and our budget already reflects the cost associated with close to 100 per cent participation level. Of course, should farm incomes in the future be low relative to historical incomes, we would see an increase in producer payments and an overall increase in CAIS program expenditures.

Nonetheless, the CAIS program has been presented to producers as providing a permanent income stabilization and disaster program that they can rely on instead of ad hoc payments. It's important that we follow through on this promise and continue to support our ag industry in these challenging times. I can add, Mr. Chairman, that the federal minister and all of the provincial ministers, regardless of political stripe, I believe, feel very strongly the CAIS program is the program of the future for our producers. We do need to make some adjustments to it to make it more responsive, but we are working very, very hard to make sure that we get these applications out.

I can also say with regard to the 2004 payments, because that's another area of concern that we're hearing as well, that over 9,300 applications for the 2004 interim advance have been received and processed for a value of \$254 million. The Agriculture Financial Services Corporation has now received 1,280 final claims for the

2004 claim year and have paid out a value of close to \$5.6 million on that.

The hon. member also raised the issue of rural offices and thought that perhaps that might be a way to speed this process along. I agree that Agriculture needs to be in rural Alberta, and I agree that our offices need to have a better integration to the rural community. I'm not sure that reopening the offices is the way to go. I'm sure it would not have helped in the CAIS issue, as the member pointed out. But we are definitely reviewing how we get our message out and how we get information in, and we'll be coming forward with some things in the future on that.

CAIS. The program is operated under the Agriculture Financial Services Corporation, the same group that does crop insurance and as well is involved in some of the slaughterhouse lending that they are currently involved in.

The member also mentioned that he was curious about the \$17 million with regard to new product initiatives and the SRM initiatives, I believe. Those programs are going to be worked with the scientific community, all of it, not just the U of A or the U of C. I noted his concern about the U of A getting it over the U of C. I view Alberta as Campus Alberta and would hope that we would be able to do this as a team approach across the province, utilizing not only the U of A but perhaps the U of L, perhaps Olds College, perhaps a number of the other fine institutions in agriculture in this province that are involved in it.

So we'll be looking at any good initiatives that come forward that will help us deal with the SRM removal as well as deal with new product commercialization and research into new ways of doing business. That's part and parcel of what we're trying to accomplish with our slaughter capacity.

3:10

He also asked a question about the dollars of administration on each claim. I don't in front of me, Mr. Chairman, have the exact number, although I know from memory, and if memory serves correctly, there are only three provinces in the country that actually administer the CAIS program on their own. The rest of the provinces are all managed by the federal government. My information is that our management or our processing costs are considerably less than what the processing costs are for the federal government, but that may be hard to figure out because we'd have to ask them to find that out. We will certainly see what kinds of numbers we can arrive at and bring forward a written response on that.

The member also talked about the importance of other marketplaces, and he may not have been aware that we have already committed \$30 million to the beef industry market fund or the Canada Beef Export Federation legacy project. It's a 10-year program, Mr. Chairman, that will indeed do much of what the hon. member was concerned about, about reducing our dependency on the U.S. marketplace.

In addition, he was talking about maybe there are some other things that we can do to help enter those other markets and mentioned the hundred per cent testing. It has yet to be proven to me, and certainly in the world theatre no one is telling me that testing an animal under 24 months makes any hoot of a difference as to whether or not they're going to get into the marketplace. In fact, what a number of these other markets are doing is saying: "You know what? It doesn't make sense to test that young because you're not going to find anything. So why would you have a hundred per cent testing?"

I think that what is of more importance and something that we're looking very seriously at, Mr. Chairman, is the traceability. Traceability of the animal and verification of the age of that animal

is probably more important to this industry and to the world markets than hundred per cent testing, and we're going to work in co-operation with the Canadian Cattlemen's Association, the Alberta Beef Producers on strategies that may do just that.

He mentioned a couple of other things with regard to some plants that may have moved to other provinces because we did not do one or another thing. I would encourage him to find out what the status of those projects in other provinces is just to be sure that he has all the information that he needs to make a valid case for hundred per cent testing.

I think I've covered most of his comments, Mr. Chairman. The only other comment I would cover is with regard to the Auditor General. We take the role of audit very, very seriously and certainly the role of audit with the programs that we're putting out with taxpayer dollars. As I understand it, we accepted all of the Auditor General's recommendations that were put forward and are working to fulfill those recommendations.

In fact, on the BSE program audit process field audits are an ongoing process for our BSE programs. To date 58 per cent of the BSE program dollars have been audited through the field audit process, and from an auditing perspective, from going back to my old audit days and my old banking days and business days, that's a pretty high percentage, and it gives you a pretty good comfort level as to where things are going.

Where instances of noncompliance are noted, producers are required to return payments either directly or through clawbacks through the programs that we have out there. So we have a pretty good methodology of bringing those dollars back, and I'm very, very happy to tell the House, Mr. Chairman, that very, very few concerns have been identified. Less than 1 per cent of audited payments have required any follow-up action. That's a very good track record, one that my department should be very, very proud of.

Thank you.

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

Dr. Pannu: Thank you, Mr. Chairman, for this opportunity to participate in the debate on 2004-2005 supplementary estimates and specifically to make a few comments and ask some questions with respect to the Department of Agriculture, Food and Rural Development. I want to start by congratulating the minister for his appointment to the cabinet. This is the first occasion when from the floor of this House I have this opportunity. So congratulations, Minister. I also want to observe, Mr. Chairman, that the minister seems, certainly, to pay attention to detail and takes his work seriously, has lots to say in response to questions and explanations that are requested, and I'm pleased to notice that.

Mr. Chairman, the department, of course, deals with agriculture and then food – I think food industry value-adding is an important part of that responsibility of the department – and then rural development. I notice that in the supplementary estimates, at least, there is no supplementary request being made for rural development. I just want to ask the minister. Perhaps he would like to comment on the kind of programs and policies that are specific to rural development and what part of the budget of the department in general goes toward providing services related directly to rural development as distinct from either food or agriculture. I'm curious about this, and I think perhaps some other members of the House will also benefit from the information that I'm seeking on this point.

Mr. Chairman, the minister is asking for \$528,267,000 extra, and the explanation is provided on page 18. I notice that most of this money, close to \$500 million of it, \$499,082,000, was specifically used for the assistance related to the BSE crisis in the province.

Under that expenditure category there are several areas in which this BSE-related assistance has gone, including \$100,000 for the stranded beef export container initiative. I just am wondering exactly what that was or is.

Then \$30 million to support the establishment of a market retention and development fund. Since these terms are fairly general, from my reading of them, I wonder if this amount includes the \$37 million recently announced in the form of BSE assistance. I think it was announced on March 7. Does the \$37 million announced on March 7 form part of the total amount, the \$499 million something?

Another question that I have here is the unfortunate fact that the BSE crisis is prolonged now given the court decision across the border, and cow-calf producers are going to be coming under enhanced and new, unexpected financial pressures. That's one side of the story. On the other side we know that certainly the packers have been enjoying huge profits while this crisis has been around. The question has been asked, I guess, before in this House. I'm going to ask the minister perhaps to comment on it again. What problem does he and the government have with introducing a minimum floor price while this crisis prolongs and continues to afflict the producers in the industry and inflicts huge damage and anxiety and concern and stress on farm families engaged in the production of calves and cows?

3:20

Watching on the news, you know, when people are interviewed, they express extreme anxiety about their own future and how what has taken perhaps a generation to build is likely to be lost now that this crisis is going on and on and on without any clear sign that it's going to end soon. In that context what serious reservations and objections do the minister and this government have in seriously considering setting a minimum floor price to ensure that cattle that do go to the packers end up guaranteeing some minimum price to the farming families and ranching families in this province? I'm asking this question here because it's a lot easier here to dispassionately deal with this issue rather than in question period, where time is short and usually time is spent on avoiding answering questions rather than engaging each other in debate.

The next question. In light of the Montana court decision and the resulting continuing closure of the border for Alberta cow-calf producers, what is the government anticipating in terms of additional assistance required in the next year? We are less than two weeks away from the next fiscal year, and while all of us would hope, we know that the aid crisis is not going to come to an end all of a sudden, you know, by the end of this fiscal year. What plans are in place that anticipate expenditures in the form of ongoing assistance in this respect? What kind of allowances are being made in the budget so that the minister won't have to come back for another supplementary request sometime next year?

Some other questions. I notice that the wildlife damage and compensation budget has quadrupled in the supplementary estimates here. Initially it was \$1.94 million, less than \$2 million, and now it has jumped to close to \$8 million. I would appreciate it very much if the minister would explain the reasons for this quadrupling, fourfold increase. Is the damage and compensation related to wildlife limited to damage caused to farm crops or fences or what? Does the compensation go either exclusively or primarily simply to farm families, or are there some other recipients of this compensation? This category needs to be unpacked for my benefit if not for anyone else, so I hope that the minister will explain that.

My last question, I guess, at the moment has to do with – two questions, actually – the NAFTA-related challenge that some

Canadian producers are going to take. I think the minister was asked this question earlier, perhaps in the question period as well. You know, the court challenge that . . .

An Hon. Member: Canadian Cattlemen for Fair Trade.

Dr. Pannu: Right. Yeah.

Now, the minister during question period said that we don't like to take the road of confrontation and want to negotiate given that we have good relations with the current administration. You know, NAFTA is a treaty, and it is presumably about fair trade and free trade. I wonder why the minister thinks that providing assistance to these groups that intend to challenge under NAFTA the border closure for calves and cows will particularly be seen as an offensive and provocative act by the American administration? After all, this is a treaty, and as a treaty it's available to us to seek redress to the problems that we might see, and there's no greater issue on which we are seeking redress than the situation in which our cow-calf producers find themselves in this province.

Why is the minister, in fact, not enthusiastic about providing help to this group, which is using a legitimate tool to seek redress to a very serious problem? We all call it a crisis. It has cost taxpayers, you know, more than half a billion dollars already and may cost more. So why on earth are we reluctant to provide support for this group, which is using an instrument which is legal, which is jointly negotiated between us and them on the other side? Why not?

A couple of other questions here quickly, Mr. Chairman, with your permission. As part of this supplementary request are there any monies being asked for here for providing financial assistance to beef co-ops, you know, slaughterhouses, their proposals? There's one, I think the Tender Beef Co-op, in the Peace River area. Is there any money available in this supplementary request for such initiatives? I think that these initiatives are important. They will reduce our dependence on the two monopoly slaughterhouse operations in the province controlled by two massively powerful multinationals. Is there any money there, and if not, why not?

Mr. Chairman, thank you very much for this opportunity. I'll sit down and listen with attention to what the minister has to say to my questions.

The Chair: The hon. minister.

Mr. Horner: Thank you, Mr. Chairman, and I thank the hon. member as well for the kind words of congratulations when he started. I appreciate that very much.

Mr. Chairman, I'll try to be brief. I know we have a lot of other supplementary estimates to go through. It's tough to be brief when you talk about this department because we have such a wide diversity of things going on in it. We are kind of centred on the BSE issue in supplementary estimates, so I'm probably not going to give you a real good answer on rural development strategy because that will be coming forward in our upcoming budget.

You know, of course, that we just announced the task force in early February and have that essentially up and running right now, and I'm very, very excited, hon. member, about where we're headed with that. I think there are a lot of very good initiatives in there. It won't just come from our budget, from agriculture's budget. It's going to come from all of the other budgets because it's a cross-ministry initiative in a lot of cases when you start talking about rural schools, rural economic development, rural health care, the ability of youth to have something to go to in rural Alberta. There are a lot of different things involved in there. So rather than get into that in the supplementary estimates, I'm going to go to some of your questions, if that's all right, and we'll talk a little bit about that.

The \$37 million is included in this supplementary estimate. One of the issues that we have coming before us is the specified risk materials: what do we do with them? In my mind, how are we going to take those SRMs, as we call them, and turn them into something that has value again? Previously they had some value; now they have no value. What we want to do is do the research, do the precommercialization work. I know that the hon. member understands this type of a process. We want to do that work, so we've put these dollars out there with our academia and the research network that's out there in agriculture to try to find ways to turn what is now essentially a disposable cost centre into value. So the \$37 million is in there.

3:30

The \$30 million is to support the establishment of the market retention and the development. That's to turn our dependency away from the United States marketplace. Currently we are dependent on the United States marketplace for about 76 per cent of our export business. We would like – and I think it's a target of the industry; this is all coming from the industry – to reduce that dependency to about 50 per cent. That means that we have to find markets for 26 per cent of what we used to do.

That's a fairly daunting challenge. That's why they've come forward with a 10-year plan to do just that. Having been in the international sales business, I know – and I know that you have travelled too, hon. member – it's difficult to enter new marketplaces; it's difficult to displace current suppliers in those marketplaces. So those dollars are there, and they have been leveraged with federal dollars now as well as industry dollars. In fact, the industry will be putting up the lion's share of those dollars.

I had a note here: BSE testing. I'm not exactly sure why I had that note down. I think you had a question on the live testing. Yes. It's not in this supplementary estimate, but one of the things that we've done is through co-operation and collaboration with the Ministry of Innovation and Science we've created the \$38 million BSE or prion research centre. Of course, BSE and the folding proteins and the science of all of that is something that we need to understand better so that we can better deal with the products and the by-products that we have.

It's also something that we need to do in the study of zoonosis, diseases from animals to humans. Coupled with that, there are a couple of proposals that I have seen that have come forward that believe that they have that Holy Grail of a live test, or what I call the live test. We are following up on them because that would be something the world is looking for. But we also have to understand that it's a little bit like the cure for the common cold: everybody thinks they've got it, and everybody in the world is looking for it. So we have to be careful about where we put those resources.

In terms of a floor price – and I know that this has been a question that has been on the minds of the NDP and some producers in the province. I can tell the hon. member that the industry, the Alberta Beef Producers, the cattle ranchers, the Feeder Associations, all of those groups that are part of that network – there are people out there who think that a floor price might be the right way to go, but the vast majority of the industry says: no, don't go there.

It'll be a higher cost for packers, that's true. So what will happen? They may buy their cattle out of Saskatchewan or British Columbia as opposed to buying them in Alberta. They may close down the number of days that they slaughter. I can tell the hon. member that if we get less numbers of days of slaughter, that will only compound our problems here. We need to make sure that we have as many days of slaughter going through these packing houses as possible.

The other problem with even a temporary floor price is that it

won't work. It's still going to cause a lot of major hardship, it wouldn't be easy to put in place, and if we just had it in Alberta, that would cause us the difficulties of: what do you do with the cattle that may be crossing back and forth?

It's also the wrong message to send to those entrepreneurs who are in the co-operatives trying to get into a packing house or those investors that are looking at building that slaughter capacity and that value-added. It's the wrong message to send them, that we're going to regulate what their cost is going to be and we're going to regulate what their margin is going to be. A lot of these business plans that are coming forward are predicated on the market price. You would have a massive number of meetings going on with their bankers and the institutions that they're trying to get their financing from and their shareholders, many of whom are producers, trying to figure out: can we make this work based on a floor price, and where is the government going to go with the floor price? It causes a lot of grief.

I would suggest to you and submit to you that the set-aside program that we have in place right now is a much better market-responsive type of a price system. It works much better than a floor price because you still have the market forces involved. It did take a little bit of a hit after this announcement prior to March 7 when the R-CALF injunction went into play, but the interesting thing is that it did not drop anywhere close to what the prices had dropped to with the announcement of the other positive tests. That tells me that it's working, and nationally it's starting to work.

So I think what we have today, hon. member, is a program that is endorsed nationally by the producers and the members of the industry. It's also one where, yes, we have some control in regard to the basis levels and some of those other things and the weights of the animals, which allows us some movement in the marketplace, but it isn't a set control. It's a much more responsive and much more well-received program than a floor price.

Plans in place and ongoing assistance: what allowances in the budget to come up? That almost sounds like: what have you got in your budget coming forward? Can't tell you, so I won't.

Wildlife damage and compensation. You noted that the \$7.9 million is much higher than the previous year. It is much higher due to the drought conditions that we had and a lot of the damage to fences. It's an all-encompassing type fund for damage from that wildlife, but I will get more explanation for you on that one, maybe a little more detail on paper on that one.

The other question you had was with regard to the Canadian Cattlemen for Fair Trade and their NAFTA challenge. Our fight is not with the American government. The American government has put forward a proposal to allow trade in our beef through the USDA and to have the border open. On March 7 had that happened, we would be in a much better position. Having said that, our fight is with a court and a protectionist group in the United States. That's where our fight is. What we need to do is prove to that court that their government is right. So our suing their own government only adds to the R-CALF argument. I'm not in a position at this point in time to recommend to any of our colleagues in the Legislature that we should be doing something against the U.S. government, who at this point in time is one of our biggest allies in getting the border open.

So I think that's an important differential because what the Canadian Cattlemen for Fair Trade are doing – and they have every right to do this, and I do not want to hinder their approach. They have a right under NAFTA and under chapter 11 to go for redress on damages caused, and even if the border were to open, hon. member, within 60 days, they can continue on with that challenge. Perhaps at some point in the future – and we've all seen these NAFTA things drag out for a long, long time – they may actually see some benefit

out of that. You know, I hope they do. It's something that they probably have a good argument on.

Our point is: get the border open. Our challenge is: get the border open. So I want to utilize all the resources that we have to enable the USDA to prove to their own court that they are right. I don't want to challenge what the USDA is doing. I would rather challenge what that judge is doing, and we are working in that direction.

I think that covers most of the points, Mr. Chairman, and if there are other questions, I'd be happy to answer them.

The Chair: Anyone else wishing to speak? If not, I'll recognize the hon. Minister for Children's Services.

Children's Services

Mrs. Forsyth: Thank you, Mr. Chairman. I'm going to be brief, and if the opposition critic has any questions after I've explained where we are, I'd be more than pleased to provide her with some answers in writing. I know we've got six others after me.

In total an extra \$18 million will be used for child intervention services. Child and family services authorities will receive \$14.4 million to cover additional costs for the child welfare service programs. This includes a 4 per cent, \$4 million increase in the foster parents maintenance rate. The remaining \$3.6 million will be used to implement the Child, Youth and Family Enhancement Act. This one-time cost will fund the transition to provide child welfare services under the new act.

3:40

An additional \$7.5 million will be used to implement a network of parent link centres across the province. This additional funding will be fully offset by additional federal transfers.

Supplementary funding of \$5.3 million will be used to fulfill our commitment to the prevention of family violence. We are using an extra \$2.5 million to fund community incentive grants and help communities take action against family violence and bullying, we will continue to develop and implement Alberta strategies for the prevention of family violence and bullying with an additional \$1.76 million, and we will use \$500,000 for a cross-ministry public awareness and education campaign to help put an end to bullying.

We also require \$1.1 million to cover increases in insurance and corporate administrative costs. We'll pay Alberta Finance an additional \$400,000 for insurance, and \$700,000 will go to ACSC for related costs.

We also are able to use savings from other areas to partially offset increased costs in some of our critical programs.

So that really explains the reasoning behind the supplementary estimates, and we'll intently listen to the opposition.

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

Mrs. Mather: Thank you, Mr. Chairman. As I think about the provincial budget, I want to give my thanks for the message from Her Majesty the Queen for Commonwealth Day three days ago.

Her Majesty's reference to children, youth, and education in the human family are important to us in Alberta. I believe that Commonwealth is a good context in which to look at some of the issues we face here. I'm speaking of Commonwealth not simply as an international organization but as a spirit of sharing and co-operation, whether on the world stage, within the Canadian federation, or in our own province.

Let's take the word Commonwealth. I believe that the shift in thinking from empire to Commonwealth was one of the truly

positive signs of how people and governments can evolve peaceably. It was a shift from a relationship based on the domination by one party or group of interests to a point where it is recognized that wealth, resources, and responsibility are shared among the members and that the challenges and opportunities faced by one confront us all.

I'm especially grateful that this experiment in Commonwealth began in Canada in our development of a growing measure of autonomy in the context of connectedness. Since the first ongoing contact between Europeans and our First Nations, Canada has been in the orbit of three great world powers: France, Britain, and the United States. The issues of dependence, domination, consultation, and connection are not new but an ongoing part of our story.

It was Canada's emergence without revolution or civil war from a dependency on the world's greatest empire ever, territorially speaking, that paved the way for Australia, New Zealand, and scores of other countries that make up the present Commonwealth. It was Canada's internal politics of 80 years ago that led to a re-examination of the relationships between the parts and led to the statement of a new relationship in the 1926 declaration: "They are autonomous Communities . . . equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown." What better model for a society in Alberta: coequal, responsible communities of citizens united by common transcendent values.

Mr. Chairman, it is a model of our society and its values that faces us as we deal with the Alberta budget. In each specific spending bill we vote on as well as the budget as a whole, there is a reflection of what truly matters to us as a government and as Albertans, as individuals and families in relationship.

Many of us feel that our relationships are too private and too precious to be quantified in dollars or regulated by the state. I note that a former Newfoundland and Canadian cabinet minister has brought up the proposal of legalizing a certain relationship in order to regulate its practice and protect its practitioners. He's speaking of relationship at the level of a commodity, the exchange of what I get for my dollar. Our most valued relations are more than dollar exchanges, yet what we spend in billions is an indication of what our values and relationships are. As the values that we are professing affect what it is we do, so what we do reflects what our values really are.

I am sure that most of us would not want to see the intimate aspects of our lives assessed in dollars and cents. Yet, Mr. Chairman, a provincial budget, the billions we spend collectively, is a good mirror of what the priorities in our relationships are. C. Northcote Parkinson, who gave my generation Parkinson's law and other insights on how we administer and mishandle our wealth, pointed out that corporate boards of directors often approve contracts worth millions on a simple recommendation without discussion then spend half an hour haggling over the price the staff pay for coffee in the lunchroom. He believes this happens because the million- and billion-dollar contracts are too big for us to get our minds around, so we opt out, step back from these to focus on something we can make sense of. Mr. Chairman, the budget being a statement of the big picture, it is important that we stop and step back to get it right, to get the picture clear and to be clear ourselves on our part of the picture. What does it mean to spend dollars, a measure of energy and value on some things and not on others?

In our parliamentary system it is the government's side of the House that brings forward the bills that spend public money. Someday, in a more consensual spirit, in a recognition of the principle of common wealth that may change, but for the moment that is the reality with which we must deal. So, Mr. Chairman, as a

member of the second party in this Legislature I propose some alternative measures for our investment that reflect another set of values from those we have before us.

In Bill 1 the government focuses on postsecondary education. This costs billions in faculty and facilities, research and infrastructure. It leads to a flow of expertise and investment to the focus of communities and capital. Yet, Mr. Chairman, the greatest learning takes place in the earliest years of life. Here a child not only learns how to orient himself or herself in the world but faces the basic question of value. Whether she or he is loved and nurtured for what she or he is or for what she or he does to satisfy others, whether she is central in others' attention and affection or somewhere on the periphery, on the basis of this early education curriculums are structured, and systems are put in place.

Is it better spending to provide the initial supports in having a parent on-site at home or quality and qualified support, if required, which costs at most tens of thousands per year, or to train and pay psychologists, psychiatrists, and other therapists at hundreds of thousands and who charge a hundred dollars per hour at least for intervention once damage in early miseducation has been done? Is it better stewardship to have both parents competing in the competitive economy, leaving a child to decide that he must prove his worth by taking jobs that impress, dropping out of relationships and postsecondary programs that she or he should never have entered? One of the greatest educators of all time stated that the goal of education is to know thyself. This is what happens or does not happen in the early years. If we structure society, the market, and family relationships on a basis of unknowing, we cannot be surprised if the results are flawed.

With our provincial budget I understand that decisions are made through managers to either cut or allow certain expenses. Each region makes decisions about how their funding is to be spent. Child and family services is a difficult area in terms of budget because as other areas are cut back and if the cutbacks involve families, child and family services picks up the slack – example: justice, health, income support, education – because in the end child and family services are responsible for the safety and security of our children. As well, as the needs and risks become more complex, the services required in upcoming years may become more costly and complex as well. This may be one area where unexpected expenses would apply. Because of demographics some regions are more costly – for example, fetal alcohol syndrome, addictions, violence – depending on the socioeconomic conditions.

I do have some questions about costs and possible improvements. I wonder if some contracted agencies in our province are duplicating services; for example, when more than one agency has a permanent emergency bed set aside for kids while there is an emergency shelter available which always has room. I'm wondering if these funds for unused emergency beds could be put to better use.

Another thing is training. I'm wondering why some agency staff cannot participate in the training offered to government workers. Those agencies don't usually have the budget, and the government workers, I believe, are getting great training. I think that, surely, including agencies would be wise. I believe there may be innovative ways of working together that are not entertained because of camps and territories within our service provision.

Could we also do a better job of creating a better working relationship with youth justice and agencies in providing transitional services to youth leaving the justice system? These steps may be cost-saving through avoiding some unnecessary duplication and supporting each other in common goals.

3:50

As I look at the supplementary estimates, I notice that the request

at this time is for \$14,426,000 for financial support to child and family services authorities for additional child welfare services program costs, including the 4.5 per cent increase in the foster parents maintenance rate. I appreciate the minister's attempt to give me a little bit more detail because the line items are not very detailed; for example, \$425,000 more for corporate administration.

We have a large increase in programs such as the prevention of family violence, and I really salute your efforts with the bullying initiative and the parenting resources initiative. I also notice that the Edmonton area and region is requiring the largest input, with \$6,550,000.

I wonder how we could have avoided the need for supplemental income? One of the things that is really difficult as we talk with Albertans about budgets is that we have little information on the expenditures. If we are supposed to vote on this judiciously in the spirit of appropriate government recognition of expenditures, we need to have the detail that allows us to know the types of expenditures.

Another point is that if we are going to have prudent fiscal management in this province, we've got to have timeliness associated with that. We have to make sure that as the budgeting process is put in place, the signals are sent out to the agents that use the dollars that are allocated by these budgets so that they have time to plan, subject to their fiscal year. I believe we must work together toward giving all departments clear priorities and sustainable, predictable funding so that they can better plan for expenditures. This will allow appropriate planning capacity so that we can make sure that our dollars are used prudently.

Thank you.

The Chair: The hon. minister.

Mrs. Forsyth: Well, thank you, Mr. Chairman. I'm going to be really brief, actually because the hon. member talked a lot about the budget process. I really have to say off the bat that I know her heart is in the right place. We had a meeting; she very deeply, deeply cares about the children and youth in this province and showed it at our meeting. We've decided that we're going to work together for the betterment of the children and youth in this province.

She talked about the duplication of services in regard to some of the things that are happening in this province, and I don't disagree with her. We are going to be looking at how we can better improve the services and, if there's duplication, get rid of that. We're going to do a review of the FCSS and find out if there is any duplication, what they're providing and what government is providing, and make sure that we get the best bang for our buck and do the right thing.

I like the idea that she mentioned, the fact about training, about why the agencies can't participate with government. I don't know why they can't. I wasn't aware of that, so I appreciate your bringing that up to me, and I've got staff that are listening and taking notes.

She talked about youth justice and youth in transition. We're really very, very excited about what's happening in that area. We've got youth receiving services through the new enhancement act that requires a plan to help them work toward independence and adulthood. Previously, when they turned 18, of course, I know the member is well aware of what happened. Under the new act we've got it going until they're 22, and we've developed a mentor program.

Our youth in transition programs that we have currently in the department are, without question, leading this country in how we're dealing with our youth. We'd be more than happy to have her at one of our youth forums sometime, and we'll extend an invitation to let her have the ability to meet the youth that I've met in the past. I mean, it's just an incredible high to be around them.

Her interest in FASD: we talked about that when we've met in the past because it's one of her passions. I can tell her that we are leading in FASD in North America. We have just hired a director because of our involvement with the Canada Northwest Partnership, of which I take over the chair on April 1. He's from Washington, and he's very excited about being here, very excited about what he's doing, told us when he was offered the job as the executive director for that particular position, that he took it in a heartbeat and told the university he was working with how much Alberta is leading. So we're quite excited about that. We're also involved with research, and they're doing a lot of work on FASD. So we should be very, very proud.

The family violence initiative. You indicated that you applaud what Alberta is doing: again, working toward trying to be family violence free. I think probably that would be pushing it, but certainly we're going to continue to work very, very hard on that initiative and the bullying issue.

Mr. Chairman, those really are the few notes I had. Like I indicated to the hon. member, we have staff that will be taking notes. If there's any question, we'd be pleased. Looking forward to continuing working with the opposition member.

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

Dr. Pannu: Thank you, Mr. Chairman. I'd like to spend a few minutes, make some observations on the request for supplementary estimates for the Department of Children's Services. We'll have a few questions for the minister. I hope she will either be able to answer them here or perhaps later, which would be fine as well.

Mr. Chairman, the additional funds being asked for by the department are close to \$27 million, which is a fair bit of change. So the question that I have is: why this fairly large request for extra dollars in the budget in the supplementaries? I thought budgets are prepared by this government doing its due diligence to forecast expenditures and obligations. Then the money is asked of this Legislature by way of the annual budget. Close to \$27 million extra dollars being asked I think requires some broad explanation. The information that's provided here in two pages is not enough for me to understand why the expenditures have overshot by this amount over the budgeted ones.

So the minister, I think, took over this portfolio recently, and I appreciate that. I think she is relatively new to this portfolio, but I hope she will have some answers to these questions.

A couple of questions here. On page 23 I think I'm dealing here with line 2.2.6, prevention of family violence. There is quite a substantial increase in that line item from \$18 million to close to \$23.5 million, so the increase is anywhere between 28 and 30 per cent, quite a large jump over the period under consideration. While I would applaud any effort that is made and bears fruit with respect to the prevention of family violence, I'm curious. Why this jump?

Are there some special measures that have been brought into play to reduce family violence, to prevent it? Has the incidence of family violence gone up so much over the last year that it required additional resources, or has the salary part of the bill gone up because we are paying so much more to people who do this work for us? I mean, all kinds of questions come to mind. Why is it that such a large increase has occurred? As I said before, I would applaud any concrete program and additional effort that will contribute to the prevention of family violence rather than having to deal with the results of it once it's taken place. So it's in that spirit that I'm asking this question, and the minister I'm sure will try to address that.

4:00

The Child, Youth and Family Enhancement Act implementation

support is 2.1.2. There again the increase is quite substantial, almost 75 per cent more than the \$4.3 million overbudgeted as part of the budget. Three point six million dollars extra is being asked for as part of this supplementary request, close to a 75 per cent increase. When increases are so large relative to the budgeted amount, I think it's important to ask some tough questions: why so?

Similarly, Mr. Chairman, the line item 2.2.9, parenting resources initiative. Again, the amount being asked for, in fact, is close to four times what was budgeted. What kind of oversight at the time of budgeting last year led to this one is the question that comes to mind. There's no explanation anywhere here that I can find which would give me the answer so that I don't waste the time of the House and pester the minister with these questions.

One other concern has to do with the only place where I see reference to child care programs, and it's page 22, the very last two lines there: "These costs are being partly offset by anticipated lapses of \$4,657,000 from the Child Care Program." What in heaven is this? "Lapses." Is this money unspent? Is this money that's not invested for the care of our children in this province? How does one explain this? I'm just wondering about it.

The minister has been on the national stage with respect to the future of health care in the province. She was in Vancouver, of course, attending meetings with, I suppose, the federal Minister of Social Development. She made some interesting statements and took positions, which we will have opportunity another time, perhaps, to engage the minister in debate on. I'm very concerned about the position the minister has taken.

The child care subsidies that are available now go to families, and only some families qualify based on their income. There are 75 per cent of mothers who are working now, in the labour force. What percentage of that 75 per cent get the subsidies based on this income criterion that the government uses? There's a very large number of middle-class parents who find it both necessary to work and want to work.

It's no longer that women want to accept the old traditional sort of definition of their roles. They want to work. Many of them have gone to university, to college to acquire qualifications. They want to work yet find it very, very tough to pay for the quality of child care that they want to provide for their children. They cannot from their incomes, so they are cutting into their budgets for other family expenditures. I'm hearing from my constituents and from across the province that this is causing a huge hardship.

Now, I don't know the details of the federal program that's under discussion that the minister has been participating in, but I do know that there are some general parameters that are well known, that it's conceived as a universal program, that it'll be available to those who want to make use of it. The minister, during her, I think, statements related to that discussion that she participated in, talks about parent choice. There are lots of parents who want to choose to send their children to good, quality, publicly funded child care programs. Child care provision is not just about babysitting. It's about, in fact, child development and child learning and education in very early years, which are so critical for these very children to do well later on, both in school and beyond.

So the whole notion of child care needs to be revisited in its expanded form in the 21st century. If we really want to succeed, our children must succeed. If our children must succeed, they must receive the services that they need very early. The science of child development that we have available to us, knowledge that's available to us, tells us that any dollars that we invest in very early childhood learning experiences and developmental experiences are paid back wholesomely many, many times over later on in terms of these children doing the right thing that they need to do so that our

Solicitor General doesn't have to deal with the problems that arise when we neglect or ignore our children. The children succeed in school. They become more productive. They become higher income earners. They become more contributing citizens of society.

So I don't need to convince the minister or this House about how important it is for us to provide what current knowledge about child development tells us should be provided to our children regardless of who they are or where they are. Yet the minister's statements I find disheartening and discouraging when she talks about not wanting to participate in the federal program, perhaps because it's universal, perhaps because she thinks that it doesn't provide choice.

I'm saying that choice is not the issue. It's not a program that would be compulsory. It's not a program that parents would be forced to participate in. It's a program that will be available to the 75 per cent of women who now take part in the labour force. We need to stand by them. We need to be there to say: well, we are with you as you pursue your hopes and dreams and the incomes that you need as you take part in the place of work, in the labour force. I don't see any indication here that the minister has devoted any resources to exploring that possibility and cutting a new path in that direction as we approach the next year and the year beyond.

So general comments on the minister's position on, you know, providing universal child care to the children of this province. When parents want to go and work and want to choose to send their children to these facilities, we want to make sure that those facilities are of good quality, of the best quality possible. Risks of not guaranteeing quality are so high that they must not be taken.

Anyway, with these comments, I'll sit down, and maybe the minister would want to make observations. I'll be certainly happy to take her answers later on.

The Chair: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. I really am going to make my comments brief, keeping in mind the other ministries that have still got to report. The hon. member from the NDP opposition started off with the comment about it being a fair bit of change. Yes, it is a fair bit of change, but it's good change. It's good change that we're doing here. Yes, you've had some tough questions, but you've also had some very, very good questions.

I want to start on the last thing first, if I can, and that's on your national child care and the questions you had. Maybe you should join us at the federal/provincial table because what you're talking about is exactly what we were fighting with the federal government about, and that's about choice. What you discussed in regard to child development and the importance of those children getting good quality daycare is exactly what we were fighting about. The federal government was talking about spaces versus output, and we were talking about it being important not to count the spaces but how the children are coming out of the system.

We were also speaking about the fact that we wanted our parents to have choice, whether it was for-profit or nonprofit, whether it was a day home or whether it was kin care or even talking about the fact that we thought about tax incentives for stay-home parents. I have to tell you that one of the questions that you asked – we spent \$4.6 million less on child care because there was a decrease in the number of families that chose to participate in the child care subsidy program. That is a very interesting stat. One of the things that we're talking about with the federal government and looking at when we're making our way through this discussion on the national child care is not only a parent's choice; we want to be able to provide the best quality for the parents in this province who choose to put their children in care, whether it's for-profit, nonprofit, day home, or kin care. We think that's very important.

4:10

The family violence initiative increase that you asked about is a commitment that we've committed ourselves to from the round-table. We're going to continue to put a lot of emphasis on family violence.

You also asked some other questions. I have to tell you that we've put an extra \$18 million in use for child intervention services, which we think is key, and talked about a \$4 million increase for foster parent maintenance.

We are very, very pleased and proud of the Child, Youth and Family Enhancement Act, which we think is groundbreaking in this country and has been accepted throughout the whole province after many, many, many, many months of consultation with the stakeholders. They're all very, very excited about the new act. With that new act come costs, but again it's important for us to have the best, best for the children and youth in this province.

The parenting resource that you asked about was for us to get up and running parent link centres, that we're very, very excited about, and we'll continue to work on those.

The hon. member asked many, many more questions. We've got staff that have been listening, and I'll be pleased to send you answers by written response. I thank you for your, again, tough but good questions.

The Chair: Is there anyone else wishing to speak? The hon. Member for Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Chairman. It's my great pleasure to rise again, to be able to have another opportunity to address the debate. This time it's supplementary supply, not interim supply.

Mr. Chairman, I'm critic for Community Development. This year Alberta is celebrating its centennial, and pursuant to that, this government has allocated funds for a variety of centennial projects. The goal of these projects has been stated by the government to be to construct and upgrade community, historic, and cultural facilities. However, it appears that some of the projects that have been described as centennial projects to celebrate the vibrancy of Alberta's arts community are, in fact, infrastructure maintenance.

The Chair: A point of order. The hon. minister.

Point of Order Relevance

Mrs. Forsyth: Mr. Chairman, maybe you could help me out here. We're talking about Children's Services. The hon. member seems to be talking about centennial projects and maybe Community Development. My understanding is that we're still on Children's Services unless you've gone to Community Development.

The Chair: The minister would have to speak first on that topic before you're allowed to speak on it. We're still on Children's Services. So did you want to speak on the estimates of Children's Services?

Mr. Agnihotri: No.

Debate Continued

The Chair: Okay. Does anyone else wish to speak on Children's Services? The hon. Member for Edmonton-Mill Woods.

Mrs. Mather: Good. I'm glad that you decided that we weren't

quite finished. I'd like to ask if I could have answers to the same questions that you're going to send to the other hon. member, minister.

Mrs. Forsyth: Absolutely.

The Chair: Anyone else?

Community Development

The Chair: The hon. Minister of Gaming for the hon. Minister of Community Development.

Mr. Graydon: Thank you. Good afternoon. On behalf of the Minister of Community Development I'm pleased to speak to his request for a supplemental amount of \$2.801 million for capital investment.

The facilities at the Canmore Nordic Centre were built for the 1988 Olympic Winter Games in Calgary. They need serious upgrading to bring them back up to international sporting standards and to train Canada's internationally rated athletes. Of the \$3.5 million approved this fiscal year, Community Development managed to accommodate \$699,000 needed for equipment purchases such as snowcat vehicles used to groom the trails. This supplementary estimate today covers the balance of \$2.801 million. The upgrades are paying off already. The facility will host the 2005 World Cup in cross-country skiing this December. We also expect to see the benefits in our athletes' performances at the next Winter Olympics in Torino and again in Vancouver in 2010.

On behalf of the Minister of Community Development I ask that you vote to approve his request for this supplemental estimate. If there are questions to be raised on this \$2.8 million, I'm sure the minister will be referring to *Hansard* when he returns and will answer those questions in written form to the people asking the questions on the supplemental estimate.

Thank you.

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

Mr. Agnihotri: Once again it's my great pleasure to rise, to be able to have another opportunity to address the debate, but this time it's supplementary supply, not interim supply.

Mr. Chairman, I'm the Community Development critic. This year Alberta is celebrating its centennial, and pursuant to that this government has allocated funds for a variety of centennial projects. The goal of these projects has been stated by the government to be to construct and upgrade community, historical, and cultural facilities. However, it appears that some of the projects that have been described as centennial projects to celebrate the vibrancy of Alberta's arts community are in fact needed infrastructure maintenance. This government is calling the needed renovation to the two Jubilee auditoriums in Edmonton and Calgary as well as the Provincial Archives centennial projects when they are in fact required infrastructure upgrades. This is not fair.

The Alberta government is not providing sufficient funding for the 600 Alberta artists who are going to participate in the upcoming celebrations in Ottawa and some other cities, to perform their art, for their accomplishments. The Alberta government is providing only half a million dollars for 600 artists. I don't think it's a sufficient amount for all 600 Alberta artists. The Alberta art community is growing. They are generating approximately \$153 million in our economy and also about 3,500 jobs every year. They are growing, and we should help them more to grow.

I have just been going through this list of questions on the

supplementary estimates that I've kept for the Community Development section. I would like to address this issue to the Minister of Community Development. I don't think he's here, but somebody should see them.

Point of Order

Referring to the Absence of Members

Mr. Oberle: A point of order, referring to the absence or presence of another member in the House.

The Chair: On the point of order?

Mr. Mason: I don't think the hon. member mentioned any particular member of the Assembly.

Mr. MacDonald: Also, Mr. Chairman, on that point of order there was no citation from the hon. member.

The Chair: Do you have a citation?

Mr. Oberle: I don't know the citation, Mr. Chairman.

The Chair: I would just caution the hon. member that that's not acceptable.

Would you carry on.

4:20

Debate Continued

Mr. Agnihotri: Okay. My first concern is: why did this government allocate \$2,801,000 to upgrade the Canmore Nordic Centre facility? Why wasn't this money allocated in Budget 2004, and why couldn't it wait for Budget 2005? What upgrades specifically was this money spent on for this project? I want clarification on this particular project because once again the government has not provided the full detail. Why is it happening year after year? Is it the normal kind of practice? Don't you think it's poor budgeting practice? If the government were a corporation, its CEO would be fired.

Thank you.

The Chair: Hon. minister, any comments or answers?

Mr. Graydon: The questions are in *Hansard*, and I'm sure that the responsible minister will be happy to answer them next week. I congratulate the member on getting to the point at the end about the supplementary estimate. We're not here to talk about Jubilee auditoriums, et cetera. The supplemental estimate is very specific to the Canmore Nordic Centre, and that's what his questions were about.

Thank you.

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

Dr. Pannu: Thank you, Mr. Chairman. Specific to the supplementary estimates for the Department of Community Development I think it's great that Canmore has been awarded the World Cup race for the winter of 2005. That's fantastic. The information that I have on what the government has already committed to for upgrading the centre is as follows.

In June 2004 the then Minister of Community Development announced \$16.5 million to upgrade the Canmore Nordic Centre in support of this bid, which has now been concluded, and of course the World Cup cross-country venue will be Canmore. Now, between June 2004 and March 17, today, we have seen that particular cost skyrocketing by another \$2,801,000.

I wonder: what's the explanation for it? Why is it that within a period of less than a year, in fact within a period of eight months, we are seeing a request which adds another \$2.8 million to the \$16.5 million which was precisely allocated last year for the purpose of upgrading this facility? I think the House would like to have a clear answer to this question. Is it cost overruns? Was it sloppy budgeting eight months ago? Why is it that such a large increase in the cost is being funded without getting answers to the question of what happened over the last eight months that's resulting in this request for an additional \$2.8 million for this purpose?

Thank you, Mr. Chairman.

The Chair: Anyone else wishing to speak?

Education

The Chair: The hon. Minister of Education.

Mr. Zwodzesky: Thank you, Mr. Chair. I rise today of course to discuss the supplementary estimates for the Department of Education, over which I have responsibility. As all members can see, the supplementary estimate that is requested is in the amount of \$64.8 million in order that we can continue to support a number of very important initiatives that are of tremendous benefit to our students and toward the enhancement of their learning and, particularly so, to help add more teachers to our classrooms. In fact, of the \$64.8 million \$52 million for fiscal '04-05 will go specifically toward reducing average class sizes in our school jurisdictions, which, I might add, was an important if not critical recommendation of the Alberta Commission on Learning.

Mr. Chair, I'm sure that the members are well aware of the need for these funds because there's been a lot of talk about reducing class sizes in Alberta. This particular class size reduction initiative, which started last year, has been phenomenally successful. Having concluded my meetings with all 62 school boards, I can tell you that they are absolutely delighted with these new monies. They just want to make sure that we continue them, and we intend to do that.

In any event, the \$52 million was first identified and allocated for school jurisdictions I think back in July and August of 2004, and then it was incorporated as a special warrant on January 26 of '05, and what we're asking for now is ratification by the Legislative Assembly within this process called supplementary estimates.

I should also just add for clarity purposes that there is an additional \$37 million, which if you add to the \$52 million comes to \$89 million, and that, in fact, was part of the announcement. But because of the way the government year and the school calendar year sort of overlap by a five-twelfths/seven-twelfths basis, the \$37 million will actually come forward in the '05-06 budget, that has yet to be presented in this House. So I just wanted to clear up that point.

This particular supplementary estimate is for the \$64.8 million, and of that amount \$52 million is specifically for the class size reduction initiative. The second item, which will be the balance, represents \$12.8 million, and that's specifically for the purchase of textbooks and other classroom resources that are in support of the new and updated curricula in Alberta's classrooms.

The new funding that we're asking for here will support the implementation of a new social studies curriculum, in particular, which will start in September of '05. The work has all been done. The professional development side has been looked after. The inservicing side, for the most part, has also been looked after, and it's a timely recognition for our centennial year. Obviously, Mr. Chair, everybody in the Assembly would know that textbooks are a critical learning tool for our students, which help them with their literacy,

research, study skills, the KSAs as they're called: knowledge, skills, and abilities of our students.

A final couple of comments. The \$12.8 million requested here as part of the \$64.8 million will help our teachers with classroom learning objectives, and it will give school administrators the flexibility they need in preparation for the introduction and implementation of the new school curriculum. I would like to advise everyone that the revised social studies program will include a greater emphasis, a greater focus on Canadian and Alberta history and will focus on the core concepts of citizenship and identity, for example. This is a good thing, and it's one reason why we updated the curriculum. That, of course, ties in with our centennial initiative that I referred to earlier.

I'll conclude by just saying that the \$12.8 million for this aspect will be distributed on a per student basis, and all school jurisdictions, that being 62 school boards plus Alberta students enrolled in the Lloydminster public and separate boards plus 13 charter schools and 112 accredited and funded private schools, will receive their portion of funds with the March '05 grant payments. Providing funds in this fashion, Mr. Chair, is very much in keeping with our flexibility formula, our flexibility principle of our new funding framework, and it will allow school jurisdictions to do the best planning possible for the allocation of these additional resources, whether it's for textbooks or for other important student resources as referenced in the estimates book.

4:30

I'll finally just say this concluding statement. These supplementary estimates are very necessary to us, Mr. Chair, because they are ministry-specific and they will give my Ministry of Education the legislative authority to increase spending above amounts previously approved by this Legislature in 2004. In that respect, I certainly look forward to support for these two important initiatives that will be addressed through this supplementary estimate amount.

Thank you.

The Chair: The hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Chair, for allowing me to speak to the supplementary estimates for 2005. Just before we get into this in terms of specificity in questions, I think there are about three principles of management that concern me here, and I hope that the new minister is going to be addressing these in his new ministry.

Good fiscal planning seems to be one of the things that we really need to look at here. I think it's also significant and important to look at the whole business of input from the school districts. We looked at that this afternoon in terms of the computer. But what kind of input into this information? For example, looking at daily physical education, I think that that was planned somewhat in a hairy-scary kind of situation, and I think we need to try and look at that. I'd like the minister to elaborate, if he would, and tell us the mechanisms he uses in the department to hear from people advising him on curriculum matters. I'd be interested in getting an update on that.

I think the other significant issue here, Mr. Chairman, is the matter of co-ordination between ministries. We have here the \$52 million I believe the minister talked about in terms of class size. But as good as that is – and I'm certainly pleased to see that he did that – I think the aspect of planning comes in there. What does it do to the infrastructure of schools in terms of dealing with this? I think we're talking there, as a principle, the interchange of co-ordination between the Education department making a change. What implications does it have in terms of schools accommodating this

kind of thing, and what happens to kids in terms of having to deal with the initiatives that are brought forth and the kind of space they use to learn? Is it safe? Is it properly lighted? Does it have the proper blackboards and so forth and so on, audiovisual and so forth?

The other question I'd like to ask the minister is: if this class size initiative was brought by the Learning Commission, I think it was in 2003, for example, how come it wasn't put – I think there was ample time – in the 2004-2005 budget? I'm wondering about that. Then, I look down the line and we look at the whole question of curriculum changes. Again, we look at the question of the Learning Commission report including second language instruction and daily physical education activity. They were accepted shortly after the commission reported in the fall of 2003. Well, is this money being used to support the curriculum changes which the government needed in 2003? Why wasn't it allocated in the regular budget? That's a question I'd like you to answer, sir.

The other question that comes to mind is the question on the business of learning resources. I wonder if he'd be able to tell us: what kind of books? How is this money allocated in terms of school districts across the province? How is it going to be used as a room resource? Is it going to be used for gifted children? Is it going to be for learning disabled children? What kind of use are we getting out of that? Some of the areas I've talked to in the province are even having to supply their own books.

Then the other question I'd like to make. The current allocation for the increased pressures on infrastructure and teachers needed as a result of both class size initiative and new curriculum demands: are these going to be addressed in the new vision in '05-06? He may not want to share that with us. In the need for class size, that he's already talked about, are we going to see some changes to deal with the structural changes that class sizes caused or brought about? I think this is very important, going back to the business of planning and interfacing with the ministry of infrastructure.

I'll just pass on, if I can, Mr. Chairman, to my colleague to my right.

The Chair: Did the minister want to respond first?

Mr. Zwodzesky: Let me just answer a few because it might help out there.

An Hon. Member: Don't ever admit that he's to your right. [interjections]

Mr. Zwodzesky: A bit of mirth in the House. Sorry, Mr. Chair.

Thank you for the questions. I'll just address a couple of the issues, and the rest we'll pick off in *Hansard* and provide you with the answers that you're looking for.

However, I want to clarify one very important misspeak from the hon. member, and I know it wasn't intentional. We were never talking about daily physical education; we were talking about daily physical activity. As you would know, there's a huge, huge difference. In fact, it was so huge that I had to send out a letter of clarification because some members of the media got it wrong. They thought we were talking about implementing a mandatory daily physical education program, which, as you know, is a whole different thing.

We're talking about simply daily physical activity, 30 minutes per day starting in September for I believe it's grades 1 to 9. It can be as simple as bending, stretching, walking, jogging, taking a field trip down to wherever. The difference is that we are asking teachers to explain that before they do it. Recess, for example, in the lower grades has a huge amount of physical activity out on the play-

grounds. That will be eligible, as will stuff at lunchtime, some of it after school, and so on. As long as the activity is connected directly to the school – it doesn't necessarily have to happen on school grounds – then it will be eligible for counting.

The other point that the hon. member made, which is a very good one, is on the relationship between the class size reduction initiative and physical space in the schools. I'm sure that it will come as no surprise that when you hire more teachers to accommodate the first initiative, which is the class size reduction initiative, you have to provide them with classroom space in which to do it.

The member is correct that it has put some additional pressure on the system, and that's why we work very closely with Alberta Infrastructure – now it's called Alberta Infrastructure and Transportation – to ensure that we have a very smooth or as smooth as possible a transition as we're able to arrive at. I would never say that the system is perfect at this stage, but it's being worked on right now very aggressively to make sure that we smooth out some of those difficulties that have arisen and I heard about from my meetings with the school boards.

The other part about the Commission on Learning recommendation. I should probably remind the member that when the Alberta Commission on Learning report came out – I believe it was October of '03, somewhere in that neighbourhood, in any event – there was an undertaking at that time that the government would respond as quickly as possible to whichever initiatives it could. In fact, we then prioritized with additional consultation which of the initiatives, which of the recommendations we were prepared to accept at that time, which were in the priority category. As members here would know, class size seemed to be one of the top priorities.

But with the lateness of the arrival of the Commission on Learning report – which was no one's fault; it was just late in arriving, postponed, as I recall, by about six or seven months – we responded as quickly as we could over the Christmas period and into the January/February period. However, the unfortunate thing is that we couldn't get it all into the budget in time for printing and presentation. So it came out as soon as possible thereafter, which I believe was June or July. It was still done in time, however, for school boards to hire about 1,250 new teachers for the September '04 calendar start-up year, so that was a good thing. We'll be adding more this fall and again next year.

With respect to curriculum changes I'll just have to read what the member said there because I was writing these other notes, and I didn't quite catch it all. We do spend a considerable amount of money on developing curriculum. In fact, we invested about \$11.4 million during this past year, hon. member, in curriculum development and in the implementation of it and all the accoutrements surrounding it.

With that having been said, we certainly have involved a lot of teachers and others in that process. In fact, we provide about a million dollars to support teacher professional development through the six regional consortia, which you would be familiar with, hon. member, for in-servicing and in-service training for teachers, and so on. So there's quite a bit that goes into all of this, and we do the best that we can with all the experts we have to maintain an excellent curriculum development process.

4:40

The question about how the money is allocated I addressed in my opening comments. Perhaps if you just reference back, you'll see that it's going out on a per student basis, and that will impact everybody equally. It doesn't matter what their particular circumstance is, if they're a special-needs child or whatever. We're addressing primarily grade 3 right now because that's the one that

starts in September, and we must have the textbooks for those children, but we're not restricting it just to that level. There might be other priorities there as well.

Let me take my seat so that other members can get their comments on record.

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

Dr. Pannu: Thank you, Mr. Chairman. The minister has addressed a couple of the questions that I had. Let me start by saying that the fact that the Learning Commission report came somewhat late in October shouldn't have prevented the government from prioritizing the recommendations. In particular, the school classroom size issue was one of the key issues even before the commission started its investigations. It made certain recommendations with respect to what should be average class sizes, but the class size problem was known prior to the commission starting its work. That was one of the key concerns of parents. That was a key concern of teachers.

For the government to then take five, six months before it could come back with its decision on what is the highest priority and then find money, \$52 million, within less than a month or a month after this Legislature, this House, had just finished giving approval to the budget that the government had proposed – I think we worked hard. I think we worked some sweat on our brows, that hadn't dried up yet, and the ink on the budget was still kind of not quite dry. The government started changing its budget numbers in June. A \$52 million addition, welcome as it was because the issue of the crisis in the classroom was a huge one, did provide some relief, but it wasn't adequate. It didn't provide the relief to the whole system, you know, most school boards.

As a matter of fact, the Edmonton public school board came up with numbers at the end of September or October or November, whenever they did the counting, and drew attention to the very large number of classrooms which are still above the recommended average class sizes. So the minister might want to refer to that.

The adequacy of the allocation is one issue; the timing is another. The timing, as I said, was welcomed. I welcomed it even though it came, I think, with some political motivation attached to it. The government was considering and thinking about the upcoming election, and that's why it held back making any announcements at the right time. School boards need to know these things quite a bit ahead of time in order for them to plan to use those funds. So inadequacy and the political timing are two issues, I think, that I wanted to put on record here.

I want to ask the minister if he agrees with me that the \$52 million that the government allocated for class size reduction was an inadequate amount. If he agrees, then what is he about to do, and do soon, to make sure that the class size matter is addressed in the interest of our children who are in those classrooms and in order to assist our teachers, who provide the most valuable help and assistance and guidance and learning opportunity to our children, so that they can do the job that we expect them to do in the classroom? So that would be my question.

The second question that I have is for the minister to perhaps tell the House what amount of this \$52 million went to which school boards. Certainly, I'm interested in finding out, using the formula that the minister used to allocate this money or the department at that time used – this minister wasn't the Minister of Education at the time, so I can't attribute the allocation to him as the formula was developed under the guidance of another minister – whether or not that formula is seen by school boards as a fair one or whether it needs some change. Again, I hope that the minister is able to share his reflections on those questions with us: what amounts have gone

to which school boards and the fairness of the formula that they use to allocate those amounts.

Thank you.

The Chair: The hon. minister.

Mr. Zwozdesky: Thank you. Very briefly. Thank you, hon. Member for Edmonton-Strathcona, for some good questions, although there are a few there that I thought were politically charged, but we'll deal with them.

The fact about the recommendation from the Alberta Commission on Learning report concerning this issue is that we saw it as a priority and we got on to it as quickly as we could. In fact, we are accelerating the small class size strategy by two full years. In other words, instead of doing it over the five-year window which was initially contemplated, we're doing it over three years. But I want to say that you can't rush out there all that quickly with an initiative like this because, as spoken to earlier, you have to look at the physical infrastructure side as well. They have to be sort of done in tandem, so you can't flood the system too, too quickly with this.

Now, we arrived at the numbers that we did for very calculated reasons, and in that three-year window, Mr. Chair, we will see about 2,200-plus brand new teachers added into the system over the three-year period I'm talking about. So I hope that helps that point a little bit.

With respect to the class size problem being known earlier, certainly some of us knew about it earlier. I did in my area, and I would agree that it would have been a wonderful thing if we could have made the announcement sooner than later because if you want to look at it from a planning perspective, it obviously would have helped school boards and it would have helped parents. It would have relieved the anxiety. To get to your political point, I would love for it to have been announced much earlier so that perhaps some people could have used it if they so chose. But it came out when it came out, and teachers were hired, and by the time the good news got out there, I think the election was over. So it certainly didn't really help from a political timing point whatsoever.

The other point was in respect to the class size averages, and that is an extremely important point, Mr. Chair. The fact is that these are jurisdictional averages, and I do have an issue with that. I know, for example, that if you take a look at let's just say Edmonton Catholic, for example, they received about \$4 million under this initiative, thereabouts I think. In any event, whatever the exact amount was, it allowed them to hire about 74 brand new teachers, so it helped across the jurisdiction.

But I find that in some particular schools there still might be numbers that are slightly higher than what we would like them to be. A case in point is in my own riding, in my own constituency. I have a lot of joy over the new money and over the new teachers and new teacher assistants and so on that have been engaged because of the class size reduction initiative, but it's hard to explain that to those parents who still see higher than average class size numbers in their particular class. I won't name the school, but there's one school in particular that I get calls from frequently because they are still above the average. So I know the school board, the public school board in this case, is working hard to address and alleviate that.

4:50

By the way, the public school board was able to hire 180 or 182 brand new teachers with the additional \$13 million that they received. I hope that's the right amount.

My final point is on the member's question about: do I think it's adequate, that is to say, the \$52 million? Well, in fact, the first

announcement was \$52 million plus \$37 million. But because our government year ends on March 31 and the school year continues through to the end of August, you know, we're caught in that five-twelfth, seven-twelfth thing, so it's actually \$89 million. It's an appropriate amount for what we felt we had available.

I'm working right now on my budget, as members here would know, to continue that first level of funding and if possible add the next level so that we can address the next level of schooling, which would be grades 4, 5, 6, 7, 8, 9, and on through up to grades 10, 11, and 12. We addressed K to 3 because that was where we felt that the greatest pressure was, and that's where there is a greater benefit for one-on-one instruction. That is not to say that one-on-one isn't beneficial later. It certainly is, but the priority is in the K to 3 area, so it was an adequate amount for them. We need more, and I'm working on that now.

The final thing that he asked about was providing him with a list, and I'd be happy to do that. I will undertake to get you that list of who got exactly what. I've got it all. I just don't have it all on one sheet because when I met with every one of the school boards, we talked about it, and they were very happy with this new money. They just felt that they needed a little bit more in the next budget, so I'm working on that. So I'll undertake to provide those answers out of *Hansard*.

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

Mr. Bonko: Thank you, Mr. Chairman. Listening to some of the debate, I'm very pleased that there is some new monies. Again, it was expressed that it could have come a little bit earlier than later. I mean, we've only got 90 days left until the end of the school year, so they were going to be able to hire in some cases 189 teachers.

The minister had mentioned 2,200 new teachers coming into the system. Is that taking into account the retirement, or is that going to be new teachers?

Mr. Zwozdesky: Brand new.

Mr. Bonko: Brand new teachers. So retirement is altogether different then.

Mr. Zwozdesky: That's what we call new.

Mr. Bonko: The fact that we're going to be giving some money with regard to being able to buy new books certainly is a big question and concern to school boards because of the ongoing costs of maintaining the books as well as having to charge students the textbook rental fees. Does this money come in the form of a credit to be spent at the LRDC, or will it be actual cash given over to the individual school boards allocated per class? That's another question with regard to that.

We did mention the new social studies curriculum, which I'm pleased about. I would hope that it would have a little bit more impact with Canadian history and content, as you did mention, with perhaps the struggle of Upper and Lower Canada, that I read about as well years ago.

Part of the infrastructure money or the monies going to the schools here in Edmonton – we realize that there is almost just within two school boards a billion dollars just within Edmonton itself. So the breakdown of \$64 million in a province really doesn't amount to a whole lot, although they're not going to squeal about the money they're given. The Catholic system, I think the minister said, was going to receive about \$4 million, which maybe would allocate about \$7 million to the public system then. If you break that down

to 206 schools, it doesn't amount to a whole lot. So I just would echo some cautionaries there as well.

Thank you then, Mr. Chairman.

Mr. Zwozdesky: Mr. Chair, just to clarify. The 2,200-plus new teachers that will be hired over the three years from '04-05 through '06-07 will be 2,200 brand new FTEs. So you can add that on to the base that you have now.

With respect to the question on textbooks there will be a combination of how these monies roll out. I don't know the member's familiarity with the school system well enough to know, but in any event, in case he's not familiar with it, we will be placing some of it as a credit, a buy-down credit, with the LRC, the Learning Resources Centre, and then other materials will perhaps be acquired through other means. But the central way of handling new curriculum textbooks is to provide that as a buy-down credit through the LRC.

The other question was with respect to the public school. In fact, according to the numbers I have here, hon. member, the public school actually received about \$13.2 million, not \$7 million, under the class-size reduction initiative for the '04-05 year. That allowed them to hire 180 or 182 – I forgot the number – brand new FTEs. By comparison, the Catholic schools received \$4.1 million, and they were able to hire 75 new FTEs. All of these FTEs started in September.

Was there another question there that I missed? I'm sorry; which one was it?

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

Mr. Bonko: Thank you, Mr. Chairman. We've recognized the cost of upgrading textbooks, but school boards are certainly finding it a burden with the ongoing costs for computers because as more and more computer technology comes on stream, the cost of ownership is very hard on the school boards.

Mr. Zwozdesky: Yeah. That's why this is mentioned as it is in the estimates book, which I'm sure you have a copy of. It talks about "for the purchase of textbooks and other classroom resources in support of the . . . curricula" because we understand that some of this is online, some of it'll be available through LearnAlberta.ca, and so on. So it's not just for textbooks.

The second part of your question is a little outside the supplementary estimate, but I hope what I've just provided by way of an answer at least gives you some level of comfort that there's more to it than just textbooks.

The Chair: The hon. leader of the ND opposition and Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I want to ask something which the minister may also feel is a little bit outside the question of the supplementary estimates, but I nevertheless want to raise the question of school closures in a number of locations.

We have seen very quickly since the last municipal election the Edmonton public school board move towards consideration of the closure of a number of schools in inner-city communities in Edmonton. This is, of course, a great concern. I know the minister is not directly responsible for the school utilization formula – that falls under the minister of infrastructure – nevertheless, I think he must have some concern for the school issue.

I just want to indicate to the minister that, you know, inner-city schools often struggle with a greater range of problems than you

might find in suburban schools. The classroom complexity is an issue. You have students with special needs; you have students who have issues related to poverty, who have issues related to not being fed or not being properly cared for at home. In some cases it's often the child who is one of the more responsible members of the household and gets him- or herself to school. They may not get there until 10 o'clock in the morning, but they get themselves to school. So a one-size-fits-all formula is not going to work.

Furthermore, Mr. Chairman, the whole question of schools as a focus for revitalization of inner-city neighbourhoods is very important. Many neighbourhoods are struggling to revitalize themselves and attract new young families. When the school is closed, it is almost impossible to attract new young families, so the whole process gets cut short. I think there's a need for the municipalities to be involved in this too. Municipalities have some responsibility to have revitalization strategies for their inner-city communities and to put some kind of controls on urban sprawl.

I know that in the city of Edmonton a few years ago there were actually 34 separate communities under construction. Of course, that means that the build-out of these communities is very slow and they often wait many years. They often wait many years for their schools because the new housing is spread through so many communities that they just grow slowly and they have to wait. In some communities that I used to represent on city council, the kids were moving into junior high and high school by the time they got the elementary school built, and by the time they got the junior high built, all the original families' kids were moved on to high schools.

It's a complex problem, but the needs of children in communities I think are not necessarily being met, and I just want the minister to be aware. We know that there are a number of so-called clusters in Edmonton public that are going to be considering closures. They call it a closure process, but in fact it's nothing more than a move towards closing schools, and it causes a lot of concern for parents and for communities and certainly for me. So, Mr. Chairman, I'd ask the minister if he can offer us any hope with respect to resolving this issue.

5:00

Now, closing an inner-city school is essentially closing the community, and they are central to community life and to hopes for the future. I would ask the minister to maybe make some comment on that and what kinds of things he thinks the government could do or the community or the city could do in order to keep some of these schools closed and if, in fact, there can be any accommodation in the new utilization formula to take into account special needs to allow community functions like a daycare, for example, to go into a school and have that space be eliminated from the calculation of the formula. I know that it's not his direct responsibility, but I know that he's interested in it, that it affects his work and the work of his department and will want to have some input and some comments on that.

Thank you, Mr. Chairman.

Mr. Zwozdesky: Thank you, hon. member, for those questions and observations. I'd be happy to address just about every one of those things, but they're not really relative, Mr. Chair, to the estimates before us today. I do care deeply about them, and I hope the member won't take offence at that. But the fact is is that we're talking about the class size initiative monies and the new textbook monies primarily here today.

Before I go on to that, I just wanted to visit back to the previous speaker from Edmonton-Decore when I made the comment about the familiarity with the system. I'm well aware of his background as a

trustee, but I was talking specifically about how schoolteachers go about ordering these books, so I hope he didn't take any offence to what I had said.

Nonetheless, the issue of utilization rates does have some relevance to the class size initiative, Mr. Chair, so I will comment on it. We are working together as two departments right now, Alberta Education with Alberta Infrastructure and Transportation, on a new utilization rate formula. It's a point that was referenced in almost all 62 school board meetings that I had. It's been referenced to me over the past three months by teachers, by the Council of Alberta School Superintendents, CASS, by the Alberta Home and School Association, by the ATA, and by a number of other groups that I can't recall all the acronyms, and it was referenced in a very positive way, simply saying that the utilization formula that we've had worked for a while, that there are some pressure points developed around it and it's time to revisit it and fix it. And that's in fact what we're trying to do. I'm acutely aware of some of the difficulties with how space allocations have been made under the utilization formula where we're looking at teachable space versus, perhaps, hallway space or other space that clearly is not used for teaching, and that's why we're revisiting it.

That, Mr. Chair, does tie in with our class size initiative because as I indicated earlier, hiring new teachers simply doesn't happen by itself. You need to provide them with physical space in which to carry on their teaching practice, which they do so very, very well.

That raises the point about the difference between rural and urban and suburban and 'rurban' Alberta, and one of the strategies that we're looking at more and more here is the video conferencing to help out with some of those disparities of sparsity and distance. It's not central to this particular topic today, so I'll leave it, but I just wanted to give the member comfort that we are looking at some of those differences as they apply to learning and teaching and also as they apply to the differences in our utilization in rural versus urban settings.

With the special-needs area, the ESL area, the poverty area I think I'll just remind members that we spend about \$108 million per year in the kindergarten program. That's not mandatory, as you know; it's optional. But that's a significant commitment on our part that catches a lot of those areas, and I know it's not just kindergarten. I understand that.

We spend about \$215 million per year for extraordinary costs related to severe special needs. In fact, I met with the AACL representatives this morning, and we talked about inclusive education. There's a gentleman in town from McGill, Dr. Roger Slee, and he'll be talking about this issue at the convention this weekend. There's \$36 million a year for ESL, and all of these amounts have gone up. The ESL amount, in fact, has gone up by about 71 per cent in the last while. So we're acutely aware of those things. Again, all of these things can't happen overnight, but I'll give them my commitment to do my very best to address all of those in the upcoming budget; that's for sure.

The last thing is with respect to daycares. I'll just comment, Mr. Chair, that we spend about I think \$14 million or \$15 million per year working with ECS operators for mild and moderate special-needs children in particular, and we're reviewing that as well. I'm not sure where the dust will settle yet, but anything we can do to help those children get the proper start we're going to try and do. With that, I'll cede the floor so that others can ask more questions.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. I have a

few questions for the hon. minister. Certainly, I would also request a copy of the list that the minister agreed to provide to the hon. Member for Edmonton-Strathcona in regard to the boards and their respective allotments in regard to the \$52 million in class size reduction initiatives.

Also, I was listening with interest to the hon. minister discuss the per-student basis. This money will be delivered on a per-student basis, and the first cheques must be out now, in the March 5 grant payment that went out.

Now, the school year, as other hon. members have said, is obviously over in June. For the teachers that are to be hired, this is good news, but what happens to schools such as Strathearn public, Terrace Heights, and the other schools on the north side of the city, in Wellington for instance, that are tentatively scheduled for closure? Where would this per-student money go? For other small schools, schools with populations of 100 students and schools with populations of 200 students, what difference on a per-student basis will this money make?

Certainly, this is welcome, but am I also to understand from the minister that we're just hiring teachers here or are other support staff going to be hired as well? What about librarians? What about language specialists? What about counsellors? Are they going to be hired as well, or is this exclusively for teachers? This is a welcome expenditure, but if we're going to implement the Learning Commission, we have to recognize that it is going to mean a reduction in class spaces. The current utilization rate will no longer be applicable because, of course, we're going to need more and more class spaces because we're finally recognizing that smaller class sizes make a difference.

I appreciate the minister's time, and if we cannot get the answers today in the time allotted, by writing in due time would be appreciated. I look forward to the hon. minister's answers.

Thank you.

5:10

The Chair: The hon. minister.

Mr. Zwozdesky: Thank you. I'd be happy to provide the list that I offered to provide to the previous speaker before Edmonton-Gold Bar spoke regarding the \$52 million rollout, how it went, and where it went and so on.

The question about what happens to schools that are tentatively scheduled for possible closure with the Edmonton public school board is a very good question. My staff worked with all of these school boards in their planning because each school board is required to submit a plan with respect to how they intend to use the money in the coming year. I think the former trustee would agree with that. I don't have their plan just in front of me, but we'll get you an answer for that specific question in relation to their plan and how it's built in.

With respect to the smaller schools that are facing enrolments of, say, less than 100, I think it's the same answer, and I'll get you more elaboration on that.

In the minute remaining here, Mr. Chair, let me just say that the initiative for class size reduction is very much targeted at exactly what its title suggests. We're looking to reduce the number of students that each teacher has to teach in a single classroom at any one time. So it's not as immediately applicable to librarians or language specialists or counsellors or the other areas that the hon. member referenced, although there might be cases where it could be. For example, you might have a teacher-librarian who has a class. In that case, obviously, it could possibly be applied. But in a general sense it's, I guess, the broader, the bigger picture. These other items

are extremely important, and they're ones that I'm very sensitive to, but that's not the central purpose of this particular class size reduction initiative at this time.

School boards have referenced those points and asked for some ability to address those pressure points. I think we would all agree that more librarians are needed, more specialists, language specialists, language therapists are needed, and if they were available to be hired, we would likely be hiring them, but there is a world-wide shortage of audiologists and speech and language therapists at the moment. World-wide. I was surprised to hear that, but that's the truth. It's the same with counsellors. It depends on whether we're talking about career counsellors or guidance counsellors or whatever have you.

So I'll close there, Mr. Chair, and we'll do our best to look through *Hansard* and see what other answers need to be provided. Unless, of course, there are just a couple of seconds here. I'll just finish then.

With this point about the counsellors that I rushed a little bit, if I could just clarify that briefly, we have two types of counsellors in a generic sense that are employed in many of our schools, and I pursued this issue as one of the points . . .

head: **Vote on Supplementary Estimates
General Revenue Fund and Lottery Fund**

The Chair: I hesitate to interrupt the hon. Minister of Education, but pursuant to Standing Order 59(2) and Government Motion 9, agreed to March 8, 2005, I must now put the following question. Those members in favour of each of the resolutions not yet voted upon relating to the 2004-2005 supplementary estimates for the general revenue fund and lottery fund, please say aye.

Some Hon. Members: Aye

The Chair: Opposed, please say no.

Some Hon. Members: No.

The Chair: That's carried.
Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? That's carried.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report the supplementary estimates as voted.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Webber: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows.

All resolutions relating to the 2004-2005 supplementary estimates for the general revenue fund and the lottery fund have been approved.

For the office of the Chief Electoral Officer: operating expense of \$1,018,000.

Advanced Education: operating expense and equipment/inventory purchases, \$19,000,000.

Agriculture, Food and Rural Development: for operating expense and equipment/inventory purchases, \$528,267,000.

Children's Services: for operating expense and equipment/inventory purchases, \$26,755,000.

Community Development: for capital investment, \$2,801,000.

Economic Development: for operating expense and equipment/inventory purchases, \$506,000.

Education: for operating expense and equipment/inventory purchases, \$64,800,000.

Environment: for operating expense and equipment/inventory purchases, \$8,000,000.

Executive Council: for operating expense, \$75,000.

Finance: for operating expense and equipment/inventory purchases, \$1,400,000.

Gaming: for operating expense, \$40,000,000; lottery fund payments, \$40,000,000.

Government Services: for operating expense and equipment/inventory purchases, \$180,000.

Health and Wellness: for operating expense and equipment/inventory purchases, \$362,350,000.

Human Resources and Employment: for operating expense and equipment/inventory purchases, \$34,925,000.

Infrastructure and Transportation: for operating expense and equipment/inventory purchases, \$614,348,000; for capital investment, \$99,550,000.

Innovation and Science: for operating expense and equipment/inventory purchases, \$38,000,000.

Justice: for operating expense and equipment/inventory purchases, \$8,993,000.

Municipal Affairs: for operating expense and equipment/inventory purchases, \$26,600,000.

Seniors and Community Supports: for operating expense and equipment/inventory purchases, \$34,500,000.

Solicitor General: for operating expense and equipment/inventory purchases, \$9,777,000.

Sustainable Resource Development: for operating expense and equipment/inventory purchases, \$125,000,000.

Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In accordance with the usual practices of the House, I would request the unanimous consent of the House to revert to Introduction of Bills.

[Unanimous consent granted]

head: **Introduction of Bills
(reversion)**

The Deputy Speaker: The hon. Government House Leader for the hon. Minister of Finance.

**Bill 27
Appropriation (Supplementary Supply) Act, 2005**

Mr. Hancock: Thank you, Mr. Speaker. I beg leave to introduce Bill 27, the Appropriation (Supplementary Supply) Act, 2005. This

being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 27 read a first time]

5:20

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very, very great Alberta day as we discussed a lot of important issues. I just

wanted to thank my two staff members Jeff Olson and Brad Smith, who were in the galleries. They left before I had a chance to thank them during my estimates debate. To them and Mat Hanrahan and everyone else who helped me out in this regard, thank you.

With that having been said, I would move that we call it 5:30 and adjourn until 1:30 on Monday, March 21.

[Motion carried; at 5:21 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

