

Legislative Assembly of Alberta

Title: **Tuesday, May 3, 2005**

1:30 p.m.

Date: 05/05/03

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

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

Please be seated.

head: **Introduction of Visitors**

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

Dr. Pannu: Thank you very much, Mr. Speaker. It's my distinct privilege today to rise and introduce to you and through you to all members of this Assembly two honoured guests from Kenya who are seated in your gallery. The guests are the Hon. Richard Kalembe Ndile, a member of the National Assembly of Kenya, and Mr. Davinder Lamba, who is the executive director of Mazingira Institute of Kenya. These visitors are on a Canadian tour. They're going to be visiting Quebec, our province, and the province of Ontario. They're already up on their feet, and I would now ask the House to give them a warm welcome.

head: **Introduction of Guests**

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

Mr. Horner: Well, thank you, Mr. Speaker. Mr. Speaker, you graciously hosted a tea this morning in the Legislature Library, and we were honoured that librarians and chairs of library boards from various parts of Alberta attended. On your behalf I would like to introduce two of your guests from the Legislature Library tea today who have remained with us to view question period. They are Joanne Morgan, librarian, Morinville public library; Maureen Wilcox, chair, Yellowhead regional library. They are seated in your gallery this afternoon. I would ask them to rise and receive the traditional warm welcome of this House.

The Speaker: The hon. Member for Stony Plain.

Mr. Lindsay: Thank you, Mr. Speaker. It's my honour and pleasure to introduce to you and through you undoubtedly the brightest students in Alberta: 64 grade 6 students from Graminia school from the constituency of Stony Plain. These students are accompanied by teachers Mrs. Gloria Wolff, Mrs. Rhonda Stewart, Miss Michelle Pernisch, and nine parents. They're seated in both the members' and the public galleries. I'd ask that these guests rise and receive the traditional warm welcome of this Assembly.

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

Mr. R. Miller: Thank you, Mr. Speaker. I'm pleased to have the opportunity this afternoon to introduce to you and through you to all members of the Assembly a group of 18 incredibly active, vibrant, and politically aware young people from the Petrolia 60 Plus seniors. If I can take the time, I'd just like to quickly introduce them. They're led by group leader Jim Muldrew, and joining Jim today are

Preterita Zegarra, Doris Lees, George and Marce Eykelbosh, Jacob and Anne Gukert, Tannis Betts, Cecil and Golverdina Marshall, Doug and Bernice Hanon, Jack and Betty Evans, Bill and Marj Jardine, and Eugene and Leone Prozny. I had the pleasure of joining them in the cafeteria this afternoon for lunch, and we all agreed that the ham and split pea soup was wonderful. They're very much enjoying their visit here today. I'd ask them to please rise and receive the traditional warm welcome of the Assembly.

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

Mr. Eggen: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the members of the Assembly Laura Paquette. Laura is a University of Alberta student in elementary education and serves on the social justice committee at St. Charles Catholic parish. Laura was recently hired as our STEP position in Edmonton-Calder, so I will have her with me for the duration of the summer. We in the NDP caucus are very thrilled to have her with us and would invite her to rise and everyone to give her the warm traditional welcome of the Assembly.

The Speaker: Hon. Member for Edmonton-Strathcona, do you have another introduction?

Dr. Pannu: I'm done, Mr. Speaker.

The Speaker: Okay. Others?

Then, hon. members, just allow me to introduce one of your own to you. If hon. members would like to know what true happiness and bliss is, let me introduce the hon. Member for Bonnyville-Cold Lake, who today is celebrating his 30th wedding anniversary with his delightful lady.

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. It's becoming increasingly clear that Enron didn't rip off Alberta electricity consumers alone. It had help from other power companies. The testimony of an energy expert filed with the U.S. Federal Energy Regulatory Commission last January states, and I quote: Enron was able to achieve this higher price by colluding with other market participants to play along. End quote. It's referring to the prices in Alberta. My questions are to the Minister of Energy. Does the minister know who colluded with Enron to manipulate electricity prices in Alberta?

Mr. Melchin: Mr. Speaker, I'm not specifically aware of the instance that he's quoting. I'd be happy to look at the information, and if there is information to verify and substantiate collusion, those are precisely the pieces of evidence that we'd asked for so that the proper investigation can occur.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. We'll table the information.

To the same minister: given that TransAlta admitted to U.S. regulators that it used some of the same electricity trading schemes that Enron became infamous for in California, how can the minister be sure that TransAlta didn't collude with Enron to drive up power prices here in Alberta?

Mr. Melchin: Mr. Speaker, it sounds like he's talking of events that happened in the United States. Whether similar events or anything like that happened in Canada, we'd ask him to bring forward the evidence. We've had and we do continue to have a very good monitoring system to investigate and to follow up to ensure that Albertans are protected.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Again to the same minister. Given that TransAlta has donated almost a quarter million dollars to the Tory party since 1992, is this Tory government refusing to investigate TransAlta, stonewalling because it doesn't want to stop the big cheques from rolling in?

Mr. Melchin: Mr. Speaker, I find it unfortunate that you can get up in the Assembly and through assertions and aspersions and other doubt try to belittle and slander the names of companies that certainly have operated well on behalf of Albertans. If there is evidence – and we'd ask if there is evidence – we would be the first to act on appropriate evidence to see that Albertans are protected. We don't support a slanderous approach, innuendo, or anything like that.

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

Mr. MacDonald: Thank you, Mr. Speaker. The close connection between the Alberta electricity market and the Pacific Northwest markets allowed Enron to manipulate Alberta's prices with Project Stanley and make unjust and unreasonable profits. Between January 2000 and June of 2001 Enron ripped off consumers in these markets for over \$940 million. My first question is to the Minister of Energy. How much of this unjust and unreasonable \$940 million rip-off by Enron was taken from the pocketbooks of Alberta's electricity consumers?

Mr. Melchin: Mr. Speaker, it's I guess convenient to pick some numbers like 900 and some odd million. Why not pick a billion or two billion or whatever number you wish to take?

We still ask for and always have asked that there be evidence. When there were cases brought forward in the past, Project Stanley or anything else that may have been like that, those investigations have occurred by the market surveillance administrator. They've also involved the federal Competition Bureau because some of that transaction was alluded to have happened with parties outside the province. In that case, we still would ask and look for the evidence. That's the best and the only way that you can ensure that investors are protected.

It's convenient, I guess, just to start picking numbers out of the air.

1:40

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. These numbers weren't picked out of the air; they were picked from the Federal Energy Regulatory Commission investigation.

What efforts is the government making to get some of this money back for Alberta consumers?

Mr. Melchin: Mr. Speaker, there still is no evidence that consumers have been taken for that money. It's still just an assertion. If he has the evidence, I'd ask him to please forward it.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again, these documents will be tabled after question period.

Given that this government was so anxious to go after a couple of AISH clients who were supposedly ripping off the system, how come this government is so reluctant now to pursue Enron and its greedy partners, who ripped off the electricity system and consumers here in Alberta? Why go after the needy and protect the greedy?

Mr. Melchin: Mr. Speaker, totally unfair comparisons, not related incidents. The facts aren't even related. They just don't even relate to the story at hand.

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

Domestic Violence

Dr. B. Miller: Thank you, Mr. Speaker. In 2003 a Red Deer man shot and killed himself and his estranged wife after a court-ordered visitation with their child. This was a brutal murder/suicide that shocked Albertans because this man had previously been threatening to kill his wife. This raises serious questions in regard to police procedures in handling domestic violence as well as the effectiveness of domestic courts. So my first question is to the Solicitor General. Will the Solicitor General address the 91 areas of improvement that an internal RCMP probe of this situation recommended in the wake of this tragedy?

The Speaker: The hon. minister.

Mr. Cernaiko: Thank you very much, Mr. Speaker. Well, the member from the opposition correctly states that there were 91 recommendations. Chief Superintendent Rod Knecht of the RCMP studied the report and made the recommendations. Thirty of the recommendations have already been put in place since this tragic incident in 2003.

The issue is, Mr. Speaker, that, yes, we have to. The RCMP as well as every major police service in the province has to work with the families, has to work with organizations, and with those support services that are in the community with regard to domestic violence cases. These are serious issues that have to be dealt with. As well, we have to continue to work with those shelters that are providing shelter for women and children with regard to those issues.

There's a lot of work that still has to be done with reporting an incident and, as well, enforcing a zero tolerance mechanism with regard to domestic violence itself.

Dr. B. Miller: My second question is to the Minister of Justice and Attorney General. Given that this horrific incident came about as the result of a court-ordered visitation, will the minister review the procedures and strategies that domestic courts take in dealing with violent spouses in relation to court-ordered visitations?

The Speaker: The hon. minister.

Mr. Stevens: Yes. Thank you, Mr. Speaker. One of the things that we are doing that I can tell the hon. member about is that we are in the process of evaluating a risk assessment group. This is a group that would be able to identify high-risk situations and take appropriate action through a number of different specialists. So, for example, you would have specialized police, specialized prosecu-

tors, psychologists, psychiatrists, and the like. We are in the process of establishing a business plan for that. There is a model for this in Ontario, which has had incredible success, and as I understand it, at present that particular group has been able to avoid death in all of the circumstances in which they have been involved.

Of course, there is a high correlation between high-risk family violence situations and the tragedy like this particular situation that the hon. member has referred to.

Dr. B. Miller: Again to the Minister of Justice: given the call by reports and stakeholders for an integrated and co-ordinated response to family violence, what initiatives are being taken to ensure that rural communities as well as urban communities benefit from the approach of a unified domestic court?

Mr. Stevens: Mr. Speaker, one of the initiatives that we have in place in Edmonton, in Calgary, and in Lethbridge at this point in time is a domestic violence court, which deals, of course, with the crime of domestic violence. As a result of the policies that we have and the good news that will be coming forward later today, I can advise you that our plans are to expand that beyond those three centres.

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

Securities Commission

Mr. Martin: Thank you, Mr. Speaker. If it's broke, it's probably time to stop dithering and start fixing it. The Alberta Securities Commission has become a national embarrassment. In denying the Auditor General access to enforcement files, the ASC has shown contempt and belligerence toward the Minister of Finance and this Assembly. This should have been the final straw. My question I guess to the Government House Leader: how much longer will the government put up with this dysfunctional securities commission before some decisive action is taken?

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. The Minister of Finance has day after day in this House answered similar questions. The fact of the matter is that the Minister of Finance requested the Auditor General to expedite his audit of the commission, to do a particularly special audit of the commission, and has indicated that she wants to await the results of those. As part of doing an audit, of course, there has to be the terms of the audit worked out, and that's the issue between the Auditor General and the Securities Commission as we speak. Hopefully, those two parties will be able to come to terms with respect to the terms of the audit, and that audit can proceed, and we can get to the bottom of this.

Mr. Martin: Dithering, Mr. Speaker.

Given that investors clearly have no faith in this Securities Commission, isn't it time to push for a national – and I stress: not a federal but a national – securities regulator?

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. The two issues are not related. This government has been part of discussions with respect to national securities regulation over the course of a number of years. There are many good reasons to have a passport process in

place, as we do now, and to have a national commission in place, and that discussion is ongoing. That's a different question. That doesn't mean that you would abandon the need for security regulation in the province. We have a very vibrant economy, a very strong need for a good, vibrant, strong securities commission to regulate the process of public companies to make sure that appropriate information is available. Two separate issues.

Mr. Martin: Mr. Speaker, unlike the minister, investors do not have faith, and given that a single national regulator developed by the provinces makes it easier for small companies to raise capital and would save the province millions, why won't the government exercise national leadership and work with other provinces for a solution to this problem so we don't end up in the mess we're in now?

Mr. Melchin: Mr. Speaker, in respect to that question I'd like to just respond that there was a very strong initiative taken among the provinces to work to create greater harmonization in the securities regulation, and all of the provinces at one stage were in unanimous consent. At this stage Ontario is still watching and would prefer the other, but our markets have been well served by our securities commissions. I do want to state that the majority of those companies that are raising capital are energy companies. They rely upon both the Toronto Stock Exchange and the Venture Exchange. Both on the TSX and Venture exchanges primarily from Alberta are energy companies. They are very successful in raising capital. Their investors are receiving very good rates of return. The marketplace is very efficient, and its operating very well, and there's a great degree of confidence both among those companies raising capital and among their investors that are putting the monies in.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Manning.

School Construction in Edmonton

Mr. Lukaszuk: Thank you, Mr. Speaker. In a November 27, 2002, *Edmonton Journal* article, which I will table, Mr. Charlie Koester, chairman of the Edmonton Catholic school board, stated that "the board's first priority is to construct a \$12.6-million high school in the fast-growing neighbourhood in north Edmonton." The school board's 2002-2005 capital plan, which I will also table, lists this project as a number one priority. To the Minister of Infrastructure: considering that Ms Engel, the present chairperson of the school board, denies that such a project was ever a construction priority, can the minister advise this House whether capital plans filed in his office support the past chairperson or the present chairperson?

1:50

Dr. Oberg: Mr. Speaker, I'll only respond to that question with the facts of what was actually tabled by the Edmonton Catholic school board. On June 30, 2002, we had a slightly different category system for tabling them. The number one category for new school construction was, and I quote, a construction of a high school in northwest Edmonton. On June 30 of 2003 there were also priorities put in for the 2005 school year, and at that time number one was to move 10 portables, and number two was the Castle Downs high school. On June 30 of 2004 the priorities for 2005 from Edmonton Catholic were put in. The first one was to relocate 12 portables, the second one was to construct links to support portables, the third one was an elementary school in southwest Edmonton, and the fourth one was a grade 9 to 12 school in northwest Edmonton in Castle Downs.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you. Since the minister has the capital plans, can the minister advise this House whether a high school project in Terwillegar has ever been of any priority on this school board's capital plan.

Dr. Oberg: Mr. Speaker, in reviewing the capital plans of the last three years, the answer is no.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. Considering the confusion in the school board on what their priorities were and what they are, will the minister audit the school board's capital plan drafting procedures?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. I really feel that first of all I do have to sit down with the chair of the Edmonton Catholic school board as well as with the superintendent, and I will be doing that on Thursday. I'm sure there is a good honest explanation for this, but I really feel that it's imperative that I speak with them first. I'll be doing that with them on Thursday of this week.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Calgary-Shaw.

Support for Low-income Albertans

Mr. Backs: Thank you, Mr. Speaker. Poverty and homelessness remain a scourge in resource-rich Alberta. Housing costs are high, and tens of thousands of daily requests are made to food banks. The disadvantaged get hurt in boom times, and if you don't have the right job, you're not rich in Alberta. My question is to the Minister of Human Resources and Employment. When will this government announce a timetable to raise support levels for those who cannot work and for the working poor?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. Of course that's a very good question because it's definitely a priority for this minister. As you are aware, the other day we did announce the increase in the minimum wage starting September 1. Of course, that will have some positive impact on those people that are struggling through some challenging times.

As you are aware – I would hope I can have a bit of time to explain this, what's happened here in Alberta in relation to people the member is addressing. That's the high-needs area. It's definitely a priority. You know, when you go back a number of years ago, we did reform the welfare system, Mr. Speaker, because at the time 80 per cent of dollars were being utilized by single, healthy, young Albertans. The caseload was 97,000, a \$1.7 billion budget.

Mr. Backs: A supplementary to the Minister of Seniors and Community Supports: what is this government's plan to cut the waiting times for the thousands of low income families hoping for decent, affordable housing?

The Speaker: The hon. minister.

Mrs. Fritz: Well, thank you, Mr. Speaker. That is a very important

question because we are working hard to provide affordable housing for our low-income individuals, families, people with special needs. The Federation of Canadian Municipalities just this year alone through their statistics did indicate that the cities of Edmonton and Calgary have one of the shortest waiting lists across the country for subsidized housing. I think that that is in keeping with the federal program that we have in place, that we've mentioned before hon. member, and that's the Canada/Alberta affordable housing program, where we have provided over the past three years \$106 million and constructed 2,400 homes for people. That program is ongoing. There's \$25 million in that program. Through the rent supplement and the subsidized housing, we provide for 43,000 families, individuals, people with special needs in Alberta. We provide housing for those individuals through a budget of \$49 million, which has been an increase of \$17 million this year. Hon. member, I can tell you that it is a serious issue, and we will continue to work in that regard.

Mr. Backs: There are thousands still waiting.

A supplementary to the Minister of Human Resources and Employment. Given the challenge many disadvantaged families face in our booming economy, when will this government begin a full review of basic needs and supports for the disadvantaged?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. I have been reviewing it already and have taken some plans through our regular process. We are talking, you know, about 11,000 individuals that are in a category of not expected to work. Those benefits, yes, have not been increased since '92-93, except there have been additional supports provided: health care coverage, daycare, clothing, children's school expenses, utility hookups, and, of course, child payment supports, et cetera. We are doing that already, but definitely the rates are being reviewed right now.

The Speaker: The hon. Member for Calgary-Shaw, followed by the hon. Member for Calgary-Varsity.

School Construction in Calgary

Mrs. Ady: Thank you, Mr. Speaker. The Calgary board of education has expressed concerns that inflation and construction cost escalations will cause funding delays for new schools in Calgary. The original cost estimates were based on 2001 construction prices, and these costs have since increased. Many of my constituents are concerned about possible delays and are looking for some assurances that funding will cover these increases. My questions today are for the Minister of Infrastructure and Transportation. Will provincial funding be put on hold for previously approved Calgary schools due to construction cost increases?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. In this particular budget I made the cost overages a priority to this department. Included in my budgetary estimates this year were \$762 million on cost overages for various projects right around the province. So I have given a commitment that any school, any hospital, any road that was already committed to, that was already announced, will be built despite the cost escalations. The cost escalations are built into the dollar amounts that are given to Calgary public, and it will not delay the construction of their schools one iota.

Mrs. Ady: I just have one supplemental for the minister. My final question is: how is the province responding to the increasing need for new schools in Calgary, over and above those already approved, to address the growth in the Calgary area?

Dr. Oberg: Mr. Speaker, included in this budget, as well, are approximately 16 new schools that will either be finished or started within the next three years. All the schools that have been announced, including the five that were in the paper today, will proceed. Chaparral and Citadel, for example, which were in the newspaper today, actually already have been approved to tender. The other three are very close to being approved to tender.

Mr. Speaker, those dollars will follow. We want to ensure that the taxpayer gets the best benefit for the dollars, but we also want to ensure that those schools will be built. I'll give complete assurance to the hon. member that those schools will be built regardless of the cost overruns that are presently in Calgary.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Lac La Biche-St. Paul.

Municipal Infrastructure Spending

Mr. Chase: Thank you, Mr. Speaker. Provincial infrastructure grants to municipalities are considerably smaller than the variety of taxes, including income, property, fuel, and health care premium taxes, that are extracted by the province from these communities. As a result of a decade of deficit downloading, Alberta's two major cities would alone require the entire \$9.2 billion announced for the province over three years to meet their infrastructure needs this year. My first question is to the Minister of Infrastructure and Transportation. Given that the Liberal caucus has been informed that the city of Edmonton requires over \$4.5 billion, how will the minister address the funding gap beyond this year's \$700 million budget provision?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. One of the things that everyone in this Assembly has to realize and recognize is that there is an infrastructure shortage right throughout the province, whether it be in Brooks, Fort McMurray, Edmonton, or Calgary. So to address part of that infrastructure shortage, we allocated \$3 billion this year, and \$3 billion is a lot of money. Is that going to take all the infrastructure woes that are in the province and cure them instantly overnight? No, it isn't, but it is certainly going to go a long way. The key to this program as well is the flexibility that is involved in it so that the individual jurisdictions have the ability to put those dollars to where they are needed the most.

Mr. Speaker, it is a good start. We are in no way saying that \$3 billion is going to clear up all of the infrastructure deficit, the infrastructure woes in the province, but it's going to go an awful long way to doing that.

2:00

The Speaker: The hon. member.

Mr. Chase: Thank you. My second question is also to the Minister of Infrastructure and Transportation. Given the discrepancy between this year's budget allocation announcement for Fort McMurray of \$60 million over three years and the \$1.6 billion requirement, how will the minister address this funding shortfall?

Dr. Oberg: Well, Mr. Speaker, at around 9 o'clock this morning I

made an announcement of \$530 million in Fort McMurray to deal with Fort McMurray infrastructure. This project is committed over 10 years. I've also given the undertaking to Fort McMurray to ensure to decrease that time frame by at least four or five years, and we hope to see it in the next four or five years. As the hon. member fully well knows, this was money that was included in my budget this year.

Mr. Chase: Well, I'm glad to hear that we're a third of the way to solving Fort McMurray's problem.

To the same minister: to avoid future fiascos like the ambulance transfer and given municipalities' dependence on the province for grants, will the minister commit to providing a five-year infrastructure base amount to assist long-term municipal planning?

Dr. Oberg: Well, Mr. Speaker, as the hon. member knows, again, in Edmonton and Calgary they receive between \$80 million and \$90 million in a guaranteed amount from the fuel infrastructure that is in place. The fuel tax that is in place goes right back to the municipalities. There have been scores of municipal grants that go out on a yearly basis. This year alone we're at roughly \$1.1 billion including the \$600 million, so there is about \$500 million that is going out to Alberta municipalities this year alone.

One of the issues that the municipalities have raised is the sustainability of these grants, and the five-year granting program for \$3 billion has gone a huge, huge way to showing them the sustainability that is there. Those monies are there; those monies are guaranteed to be there, Mr. Speaker.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Mill Woods.

Highway Improvements in Northeastern Alberta

Mr. Danyluk: Thank you very much, Mr. Speaker. As the member opposite alluded to the importance of the oil sands in northeastern Alberta, my question is to the Minister of Infrastructure and Transportation. First of all, northeastern Alberta is experiencing a very rapid growth due to heavy investment in the oil sands projects. While the investment and growth are welcome, it does put pressure on the highways in the area. What is his department doing to reduce the pressure on these highways?

Dr. Oberg: Well, Mr. Speaker, as I previously stated, this morning we made an announcement of \$530 million over the next 10 years. We've included numerous works on highway 63, including another 25 kilometres of passing lanes, some three or four staging areas, which are critically important. We're widening parts of highway 881 from the junction of 63 and 881 to Anzac, which has been an incredibly important issue. We're also paving roughly 40 kilometres of road on highway 881, which would only leave approximately 75 kilometres that are not paved.

Mr. Speaker, the nice thing about these announcements is that they go on and on and on. We're also four-laning from Suncor to Syncrude. So we're doing a lot this year, but more importantly what we did this morning was we laid out the plan over the next 10 years, which I hope to accelerate to the next four or five years because I feel that Fort McMurray needs it, as does all of the north.

The Speaker: The hon. member.

Mr. Danyluk: Thank you again, Mr. Speaker. My second question is also to the Minister of Infrastructure and Transportation. More

directly, when will highway 881 be fully paved between Lac La Biche and Anzac?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. As I've stated, there are roughly 70 kilometres of road that as of this year will not be paved. I recognize that this is critically important to the hon. Member for Lac La Biche-St. Paul as it goes right through his community.

I'm pleased to announce today that by the year 2007 and potentially sooner those 70 kilometres will be paved as well, which will then have the whole 220 kilometres from highway 63 right up to Fort McMurray paved. This will provide an alternate route to highway 63 to Fort McMurray that is paved and in good condition, Mr. Speaker, so it's extremely valuable for Fort McMurray.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My final question is to the same minister. Will the department be fast-tracking other projects that were announced this morning as well?

Dr. Oberg: Well, Mr. Speaker, I could go on and on about this announcement – I'm sure you wouldn't really want me to do that – but we are looking at fast-tracking this overall plan in northeastern Alberta. We're looking at fast-tracking it to the next four or five years depending on dollar availability, depending on potential budgets in the upcoming year. We've made the announcements for 10 years, but I really would like to see it accelerated. Directly to the hon. member, probably the first area that will be accelerated is finishing the paving of 881 sooner as opposed to later because it is so critical.

Camrose Women's Shelter

Mrs. Mather: Recently the government of Alberta in a move to develop the property around Camrose's new casino gave the city \$5.2 million. Within weeks of that decision they also denied new money to the local women's shelter, a remarkable showing of this government's priorities. To the Minister of Children's Services: why was the Camrose Women's Shelter overlooked when the government was increasing funding to shelters?

Mrs. Forsyth: Well, Mr. Speaker, we have I think done a fairly good job in regard to trying to deal with the issue of family violence and bullying plus the women's shelters. We announced a few weeks ago a substantial amount of money to deal with what we considered to be the priorities in the province. It was done in consultation with my staff and to address the needs of where we thought the priorities were in the rural areas that we gave the last funding to.

The Speaker: The hon. member.

Mrs. Mather: Thank you. To the same minister: given that the development of the casino will likely bring more problems with gambling to Camrose, wouldn't it be prudent to be proactive and have more shelter beds available to Camrose and the large surrounding area it serves?

Mrs. Forsyth: Well, Mr. Speaker, that's a difficult question to answer because she's talking about the casino and the problems the casino will bring. I can't look into the future and second-guess what's going to happen. I can tell her, though, that we will be

vigilant and watching what's happening with family violence in this area, and we will monitor what's happening in Camrose.

We have a good relationship with all of the shelters in this province. I'll be touring the province after we get out of session, and we'll be meeting with the people in Camrose and be able to talk to them. If in the future there are problems with the casino and an increase in family violence, which I'm hoping won't, then we'll deal with that particular issue at that time.

The Speaker: The hon. member.

Mrs. Mather: Thank you. To the same minister: given that Camrose is a hub for surrounding communities and family violence is a concern of Children's Services in its commitment to the rural development strategy, will the minister reconsider and increase the funding for the shelter?

Mrs. Forsyth: Again, Mr. Speaker, we just announced a fairly substantial amount of money to the women's shelters in some of the rural areas on a priority need. We will continue to consult with the shelters, talk to them, assess their needs at the time, and if there is more money required in Camrose, certainly we'll look at it.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Red Deer-North.

Long-term Care Standards

Dr. Pannu: Thank you, Mr. Speaker. Last night members of this Assembly finally acknowledged what thousands of Albertans already know: conditions in long-term care facilities are unacceptable, and something needs to be done about it. We passed an NDP opposition motion last night calling on the government to "take [further] steps to improve the quality of care provided to Albertans living in long-term care facilities by reviewing staffing levels and standards for long-term care facilities." It's now time for less talk and more action. My questions are to the Minister of Seniors and Community Supports. Given that this motion calls on the government to act on staffing levels, when will this government commit to the recommended four hours of care per resident per day?

2:10

The Speaker: The hon. minister.

Mrs. Fritz: Thank you, Mr. Speaker. The member does raise a very important issue. I did support, as all the Assembly supported, the motion that was before it last evening regarding long-term care as it was amended. I'm just going to let the Assembly know once again – I have discussed this before, hon. member – that the area for long-term care that is with my ministry is for accommodation, which would include room and board and in that line that would mean, for example, meals, the utilities. It's not the care portion. The care portion is with the Department of Health and Wellness. We are working together in looking at the development of standards for long-term care and in clarifying them and making them more useful.

Thank you, Mr. Speaker.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that Alberta does not require an annual inspection of every long-term care facility and that barely a third of Alberta's long-term care facilities are inspected in any given year, when will this government commit in law to more rigorous inspection and enforcement?

Mrs. Fritz: Well, Mr. Speaker, long-term care facilities are being inspected, as the member did mention. Some of the inspections are random. There are some inspections occurring, and that of course is through Health and Wellness through the Health Facilities Review Committee. The licensing, of course, is with Children's Services through the Social Care Facilities Licensing Act.

But, Mr. Speaker, I think that the hon. member in raising this question is raising a very important issue of when it will be further clarified in regulation and be placed into legislation. I am hoping that following the Auditor General's report, which we're all expecting here fairly soon, with the hon. Minister of Health and Wellness – Children's Services would be included in this as well with the Social Care Facilities Licensing Act – and myself working together, we'll have that before the Legislature within the next session, which may be the fall or for legislation in the spring.

Dr. Pannu: My final supplementary to the same minister, Mr. Speaker: given that this is the centennial year of the province and that the centennial year is the perfect time to say a special thanks to our seniors, who have built this province over the last 100 years, will this minister and this government at least take the first step and reverse the 50 per cent increase in long-term care fees it imposed on them recently?

Mrs. Fritz: Well, Mr. Speaker, that's a very interesting question. I'll take that under advisement for now and look at the fee process and get back to the hon. member.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Calgary-Mountain View.

Community Policing

Mrs. Jablonski: Thank you, Mr. Speaker. While attending the AUMA regional seminar in Edmonton last week, municipal officials were expressing their concerns about policing in their communities. In Budget 2005 the Solicitor General's department announced an increase of nearly 200 police officers across the province and an increase in provincial and policing grants to help ease these financial burdens on smaller towns and cities. There is some confusion, and my question is to the Solicitor General. How are these 200 police officers going to be divided up in the province?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you very much, Mr. Speaker. It's a very valid question. Of the nearly 200 new police officers that are going to be funded in Budget 2005, 100 new RCMP officers will be assigned to rural communities throughout the province of Alberta under the provincial policing agreement. RCMP Assistant Commissioner Bill Sweeney has assured me that he is responsible, and he will utilize a process to determine where the officers will be posted. Of course, that's going to be based on identifying priority areas throughout the province.

On top of the 100 new RCMP officers, Mr. Speaker, an additional 30 RCMP officers are going to be redeployed from port security positions as well as prisoner transport services and will be redeployed to front-line policing in rural Alberta. On top of that, an additional 20 RCMP officers will be utilized with regard to our integrated response to organized crime throughout the province of Alberta as well.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. Given that many communities are concerned that last year's policing grants, which were set at \$16 per capita across the board, have actually been reduced this year with the new formula, how does this new formula benefit these communities?

Mr. Cenaiko: Mr. Speaker, policing grants have increased by \$6 million this past budget year, from \$37 million to \$43 million, and those towns and cities between a population of 5,000 and 20,000 will be receiving significant increases, anywhere from a 36 per cent increase to almost a 200 per cent increase with regard to the municipal police grants over last year's amounts. For example, Bonnyville, Alberta, with a population of just over 5,500, will be receiving a grant of \$245,000, which is almost a 170 per cent increase from what they received last year. Cities and communities that are between 20,000 and 100,000 will be receiving a \$100,000 base amount payment as well as \$14 per capita. Again, none of those eight communities between 20,000 and 100,000 people will be receiving anything less than what they received last year.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister: could the Solicitor General clarify why some communities are stating that the highly successful drug awareness and resistance education program, known as DARE, is being cancelled in some communities and only requires a few police officers to help teach it?

Mr. Cenaiko: Well, Mr. Speaker, the DARE program is a very good program that is provided by RCMP officers as well as municipal services and by special constables that are hired by municipalities throughout the province, but the DARE program, like any other program, has to be evaluated over a certain period of time. That's, in fact, what the Solicitor General's department is doing right now, looking at the DARE program, looking at other programs that are out there, and we will be bringing a new model that's coming out. DARE is actually being revamped. It is being tested in seven communities throughout the province right now. But we also want to continue to look at how the program works, the results we get from it, and what, in fact, kids in junior highs and high schools are actually telling us they want.

The Speaker: The hon. Member for Calgary-Mountain View, followed by the hon. Member for Whitecourt-St. Anne.

Coal-bed Methane

Dr. Swann: Thank you, Mr. Speaker. Last week I attended along with my colleague from Calgary-Varsity a public meeting in Ponoka where people expressed concern with the rapid expansion plans for coal-bed methane in the Horseshoe formation of south-central Alberta. The Energy and Utilities Board and the Pembina Institute highlighted the economic opportunities and the environmental threats of potentially 50,000 coal-bed methane wells in the next few years. The general public and private landowners all over Alberta are increasingly concerned with the pace of development and potential impacts on water, land value, agricultural sustainability, tourism, fish, and wildlife. To the Minister of Energy: given the mission of the Energy and Utilities Board to act in the public interest, how do you assess the long-term impact of 50,000 wells on the public interest?

Mr. Melchin: Mr. Speaker, on behalf of the Energy and Utilities Board and our own department we've had a multi-advisory commit-

tee going for some time looking at the opportunity and all of the impacts of natural gas in coal, or coal-bed methane. It is true that our resources of natural gas in coal are vast. They are larger than our conventional sources, potentially 500 tcf of gas, a very significant quantity. It covers vast tracts of land. All of that's very true. There is huge opportunity to bring – you mentioned the Horseshoe Canyon. That's actually where you can bring natural gas out of a seam that's purer than much of the natural gas that goes into your home. It comes out under less pressure. It's a very easy, manageable source of natural gas. There's no water in that zone. It's actually easier than most of our shallower conventional sources of natural gas.

That said, it is very important to work with the landowners on access, ensuring that the mitigation of those and working with those people impacted are appropriately addressed.

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. To the Minister of Environment: will the minister guarantee that these 50,000 new wells will not adversely affect water quality and quantity into the future?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. I want to say an unequivocal yes. I will guarantee that based on the actual rules that this province has had in place for so many years. If I could give you just one small example from our neighbours to the south of the border in Colorado and Wyoming, where in fact some of the saline from the water that used to come up spilled over the agricultural land and destroyed thousands of acres of land. I want to say to all members and to everyone that is listening that, in fact, we have rules in place today to protect the environment, to ensure that any type of negative impact to our environment is clearly prevented.

2:20

The Speaker: The hon. member.

Dr. Swann: Thank you, Mr. Speaker. Given the presence of 3,000 coal-bed methane wells already in central Alberta, will the minister authorize an impact assessment including cumulative impacts on water, agricultural productivity, land value, tourism, and wildlife before approving the development of another 45,000 wells?

Mr. Boutilier: Mr. Speaker, we will certainly ensure that this resource is developed in a way that, in fact, has no negative impact environmentally but also from the perspective that the hon. member mentions relative to wildlife and other areas that are so important to Albertans. I want to assure members of this House that on the protection of the environment – I'd say the mother ship of this province of what Albertans say is so important – we want to continue to study, continue to enforce and to ensure that people are complying with the rules so that there is absolutely no harm to our environment now, tomorrow, or well into the future, and I can assure all members that that is the case.

The Speaker: The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Calgary-Currie.

Softwood Lumber Trade Dispute

Mr. VanderBurg: Thank you, Mr. Speaker. Most every weekend when I travel through Whitecourt-Ste. Anne to my home in

Whitecourt, I meet with constituents that are employed in the forest industry. The issue of the softwood lumber dispute becomes part of our weekly discussions. My questions are directed to the Minister of International and Intergovernmental Relations. Currently an export tax is one option to move forward to resolve this issue. What progress has been made on this option to date?

The Speaker: The hon. minister.

Mr. Stelmach: Thank you, Mr. Speaker. Alberta is a free trader. The export tax is just part of an outline of a potential agreement that is being presented to the United States. The Canadian industry sees this as a starting point for discussions. The idea is that the federal government will lift this export tax once policy changes are made across this province and we move away from this allegation that has been made by the U.S. that we are somehow subsidizing the industry.

Mr. VanderBurg: Again to the same minister: given that this file has been going on I think since I've been elected, in 2001, is this option of an export tax the best way to make progress on this file?

Mr. Stelmach: Mr. Speaker, our ultimate objective is free access to the United States. This idea of an export tax has been presented as a way to break into some meaningful discussions with the United States as an interim measure until a full agreement can be reached in the near future. Without this discussion of an import/export tax we feel that more than likely we won't be able to break the log-jam nor get some of the money that is sitting with the Americans, about \$4.3 billion that the industry wants to get back, bring it back to Alberta, and invest it in Alberta industry as opposed to leaving it in the United States.

The Speaker: The hon. member?

The hon. Member for Calgary-Currie, followed by the hon. Member for Lacombe-Ponoka.

Postsecondary Education Review

Mr. Taylor: Thank you, Mr. Speaker. This government is planning to undertake two more reviews of parts of the postsecondary education system this year while persisting in its failure to establish an independent learning commission to look at the big picture. Now, past funding and affordability reviews failed to take institutions or students off their starvation diets, so I'd like to know whether we're simply wasting our time and taxpayers' money on this next go-round. My question is to the Minister of Advanced Education. Since the government is covering this fall's tuition increase rather than freezing fees at their current rate, will the minister assure students that they will not face a double tuition increase once the affordability review is complete?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. First, I have to deal with the introduction to the question because the premise on which the question was based wouldn't be the full story, to no one's surprise. The fact of the matter is that we're doing a full and complete review of the postsecondary system in this province this year. As part of that review we'll be developing a learning strategy for Albertans, so Alberta as a learning society, and there will be more to be said about the form and structure of that review in the weeks to come.

As part and parcel of that review, of course, we'll be doing both the affordability review and the funding review. There's a comprehensive review in process, being designed as we speak, which will be launched very shortly, and that will cover the full aspect of the whole system, right from literacy to post PhD.

Now, to get to the question. The budget that has been put in place this year, the funding that has been put in place this year, which has been received so well by postsecondary institutions in this province, should be sufficient to ensure that there's not a double bump in tuition. We, of course, leave to the institutions the design of their tuition and the needs for their tuition, but the money that's in the system now should assure students that there's no need for a double bump.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. To the same minister: can the minister explain specifically why the tuition policy the government created last year after considerable time, effort, and expense is broken and needs fixing again?

Mr. Hancock: Well, Mr. Speaker, it would be presumptuous of me to say that it's broken and needs fixing again. What we do know is that there's considerable concern among Alberta students and their parents and families about the cost of going to school. A good part of that concern is focused on tuition, but the real concern is focused on the overall cost of going to school, so we have committed to this affordability review. In the process we've indicated that we will hold tuitions constant this year so that the focus can be on the review of the cost of going to school and the review on tuition rather than on the immediate concern about rising tuition.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. Well, given that we are reviewing tuition policy again, my final question is to the Minister of Restructuring and Government Efficiency. Could the minister please explain to the House what measures, systems, processes, rules, regulations, budgetary provisions, or even, you know, gentle suggestions he's considering so that this sort of inefficiency doesn't happen again?

Mr. Ouellette: Mr. Speaker, that's a very good question, but I think it should be directed to the minister in charge of that portfolio.

Mr. Hancock: I'd be delighted to answer that, Mr. Speaker. The fact that there's an ongoing and evergreen discussion of public policy in this province does not mean that there's inefficiency in the process. One should always be prepared to look at the way that you're doing things to determine whether it could be done better, to look at the cost of going to school to see whether affordability can be done better, to make sure that finances are not a barrier to a student getting an education. Any time you stop looking at that, that's when you should quit your job.

The Clerk: Members' Statements.

The Speaker: Hon. members, prior to arriving at that point in the Routine, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

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

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

Mr. Horner: Well, thank you, Mr. Speaker. It's my pleasure to rise and introduce to you and through you to all members of the House some constituents of mine who I see have entered our gallery and have been watching question period. These two individuals are active members of the Alexander band, which is in the Spruce Grove-Sturgeon-St. Albert constituency. As I call their names, I would ask that they rise and receive the traditional warm welcome of the House. They are Richard Arcand and Gordon Burnstick. They are in the members' gallery.

head: **Members' Statements**

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

Acquittal of Wheat Board Protesters

Dr. Morton: Thank you, Mr. Speaker. I rise today to recognize an important victory for freedom, for justice, and for western grain farmers. Yesterday the Saskatchewan Court of Appeal overturned the conviction of 22 farmers. What was the terrible crime of which they had been convicted? Had they assaulted a neighbour, or had they stolen someone's property? No. They were going to be punished for the simple and innocent act of selling their own grain on the free market rather than to the compulsory monopoly of the Canadian Wheat Board.

The Canadian Wheat Board is another example of how the federal government treats western Canadians as second-class citizens. Mr. Speaker, farmers in Ontario and Quebec may legally sell their grain at whatever price they want to whomever they want, but western grain farmers are compelled by law to sell their grain to the Wheat Board at the price set by the Wheat Board. For grain growers in Quebec and Ontario there is choice. For grain growers in Manitoba, Saskatchewan, and Alberta there is no choice.

2:30

The fight being fought in Saskatchewan echoes a similar battle that 13 courageous Albertans fought in October of 2002, when they were sent to jail for the same so-called crime of selling their own wheat and barley on the open market.

Mr. Speaker, it is fitting today that this House recognizes the courage of these 13 Alberta farmers whose peaceful civil disobedience led them to jail. For the record, the 13 brave Albertans who went to jail to promote the cause of free markets and fair treatment for western grain farmers are Rod Hanger of Three Hills, Noel Hyslip of Vulcan, Jim Ness of New Brigden, Jim Chatenay of Red Deer, Bill Moore of Red Deer, John Turcato of Taber, Ike Lanier of Coaldale, Martin Hall of Vulcan, Mark Peterson of Vulcan, Ron Duffy of Lacombe, Gary Brandt of Viking, Rick Strankman of Altario, and Darren Winczura of Viking.

Mr. Speaker, along with the Premier, I had the honour of participating in the rally to support the efforts of the Lethbridge 13 in October of 2002. The recent court ruling in Saskatchewan should remind all Canadians that the federal government continues to impose a discriminatory and unfair treatment on western farmers.

Mr. Speaker, the Saskatchewan Court of Appeal . . .

Speaker's Ruling
Time Limit for Members' Statements

The Speaker: Hon. member, I'm really sorry, but a little while ago we changed the rules in this House to go to two minutes. At that

point in time there was some debate that one minute was not enough. Now, invariably, this is going on on a daily basis. They're now going on for two minutes, which only goes to point out that whatever the rule is, it's going to be challenged.

The hon. Member for Calgary-Shaw.

Calgary Exhibition and Stampede

Mrs. Ady: Thank you, Mr. Speaker. We heard last week about the success of a wonderful institution called Northlands, and today I'd like to speak about another agricultural fair, that was first held in 1886, the Calgary Exhibition and Stampede, that has held a place of pride in the city of Calgary as the organization that preserves and promotes western heritage and values. The culture of the Stampede is so well known world-wide that it is synonymous with the city named Calgary.

Historically its volunteers and staff have been a reflection of the community itself. Over 2,200 volunteers serve on 50 committees, contributing tens of thousands of hours each year to plan and deliver a wide variety of programs.

The 10-day festival drew 1.2 million visitors in 2004. It features a rodeo that was Canada's first million-dollar regular season professional rodeo. Although the Stampede's signature event is the annual 10-day festival in July, events take place in the park virtually every day of the year. Year-round operations include active facilities that host more than 1,500 events a year, including trade and consumer shows.

Aside from the more than 2 million people who typically attend Pengrowth Saddledome events annually, 2.6 million people visit Stampede Park facilities on an annual basis, which means that roughly 4.6 million people visit Stampede Park over the course of a year. Overall, park visitors spend an estimated \$345 million in the province of Alberta.

The Calgary Exhibition and Stampede has embarked on a 15-year visionary redevelopment of the existing park and adjacent lands in Victoria Park.

The Calgary Exhibition and Stampede is an unparalleled example of stable, long-term partnerships that create measurable economic and social benefits.

I'd like to at this time thank Don Wilson, the outgoing president and CEO of the Calgary Stampede board. He's been a volunteer for the Stampede for over 35 years, serving as president for the last two years. He truly is an example of a lifetime of volunteering. He will be missed but I'm sure ably replaced by the new president, Steve Allan.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Battle River-Wainwright.

Kristen Hedley

Mr. Griffiths: Thank you, Mr. Speaker. I would like to take a moment to recognize the achievements of a very special young lady from Consort, Ms Kristen Hedley. Last weekend in Olds the 4-H's annual selections program took place. During this year's program Kristen was chosen from among 126 strong candidates to receive this year's Premier's award.

This is no ordinary award. The Premier's award is the highest award for Alberta 4-H programs and is given out to the young 4-H member who shows exceptional leadership, communication, and personal development skills. Kristen exemplifies everything that is extraordinary about 4-H youth in this province. She's a remarkable young woman and has devoted her life to community service and improving rural life.

Kristen comes from a strong 4-H family. She has been a member of the Consort Creative Hands 4-H Club for 10 years and during that time held several executive positions and has participated in 4-H activities across the province. She also qualified for the 2004 provincial public speaking competition and was selected as a junior staff member for the 2004 provincial 4-H Club Week. But her devotion to her community doesn't stop with 4-H. Kristen was also the vice-president of her school's students' union and was president of Students against Drunk Drivers as well as editor of her school's yearbook. Currently Kristen is a student at the University of Alberta, where she is working towards her education degree.

As our Premier's award winner Kristen will represent Alberta at numerous 4-H events here and across North America, including a wonderful exchange opportunity in California.

Mr. Speaker, along with Kristen, the selections program in Olds also appoints 14 other young members in 4-H to act as ambassadors for the program at a number of events across Alberta over the next two years. I'm sure all members will agree with me on how fortunate we are to have our province represented by these fine young people not just for the future of rural Alberta but for the future of all Alberta. As well, how fortunate we are to have such a wonderful 4-H program here in Alberta, the best in the country, I would add.

Please join me in congratulating Kristen and all the ambassadors on their accomplishments.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

4-H Ambassadors

Mr. Marz: Thank you, Mr. Speaker. Today I rise to recognize the achievements of 14 outstanding young members of Alberta's 4-H program. The 4-H is an organization with a long and proud history in Alberta and throughout its almost 90-year existence has stayed faithful to its mission to help our province's youth become self-reliant and contributing members of our society. These 14 young people exemplify the spirit of this wonderful organization, and during last weekend's annual selections program at Olds they were chosen to be ambassadors of Alberta's 4-H program.

Please join me in congratulating Ricki Fleming, Jessica Wilkinson, Taryn Parkinson, Lyle Weigum, Shari Hagstrom, Justin Janke, Jessi Sunderman, Lacey Fowler, Kim Headon, Mathilda Gabert, Shanna Holmes, Jeff Binks, Monika Ross, and Kristen Hedley, who is also the recipient of this year's Premier's award.

Mr. Speaker, these 14 young people were chosen because of their leadership, communication, and personal development skills. For the next two years they will serve as ambassadors travelling across our wonderful province to promote 4-H to members and nonmembers in our province.

Please join me in congratulating these very deserving young ambassadors.

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

Royal Alexandra Hospital Volunteers

Mr. Bonko: Thank you, Mr. Speaker. I rise today to recognize the unsung hero. The hero I speak about is the volunteer. We all know someone who has and does volunteer. The volunteers I want to highlight are those of the Royal Alexandra hospital. These people come from all over the city, province, and in some cases the United States to give freely of their time and talents. These people are an integral part of the Royal Alexandra family.

Last year's volunteers logged 66,000 hours. These volunteers

play a critical role in enhancing care and support for both patients and families. These supports range from greeting patients and visitors, delivering newspapers and flowers to patients, visiting and spending time with patients, particularly those in the palliative care program, cuddling babies and knitting for them, assisting with administrative tasks, and teaching crafts. The list goes on.

While we all have respect for the highly skilled professionals who keep the Royal Alexandra hospital running, I wanted to profile the dedicated volunteers and the tremendous contribution they make each and every day. Thank you.

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

Health Care System

Dr. Pannu: Mr. Speaker, in the last few weeks I have been tabling op-ed columns by a well-respected American economist, Dr. Paul Krugman. Published in the *New York Times*, his analysis highlights several of the threats posed by this government's continued efforts to privatize health care in Alberta. Specifically, he identifies two obstacles in the way of effective innovation within the U.S. health care system: ideological obsession with privatization and powerful vested interests.

As we speak, Mr. Speaker, the Premier is hosting a by-invitation-only symposium on health care. At the symposium the Premier will be advocating for what he calls the third way in health care, which is nothing more than a slogan imported from the U.K. to disguise a health care system imported from the U.S. What is it that we would be importing? A system where 15 per cent of health care dollars are eaten up by administration compared to an average of 4 per cent in countries with public health care. Even worse, we'd be importing a system where 45 million people, roughly 20 per cent of the U.S. population, are left without any insurance coverage whatsoever.

Clearly, the main threat to health care sustainability and affordability in Alberta is further privatization. Despite clear evidence that experiments with private delivery in Calgary have led to longer wait times and increased costs, this government continues to bulldoze ahead with privatization.

It's no secret that those with vested interests in private health care, those who stand to make profits from illness and injury are very close to the Premier, and as long as there are revolving doors between people holding powerful positions in government and private-sector lobbyists and consulting groups, Albertans can only guess how much influence those vested interests will continue to have on health care policy.

In closing, Mr. Speaker, I'd like to draw the Assembly's attention to the NDP opposition's report on health care, which was produced after grassroots consultation with health care users, providers, and advocates. The report was tabled in the Assembly yesterday and is also available at www.newdemocrats.ab.ca.

Thank you, Mr. Speaker.

2:40 Vignettes from Alberta's History

The Speaker: Hon. members, our historical vignette of today refers to an event that occurred on May 3, 2000. On that day a ceremony was held on the steps of the Legislature Building to commemorate the repatriation and burial of an unknown Canadian soldier.

The grave of the unknown soldier serves as a tribute to Canada's war dead and a memorial to all of those who died striving for peace in the defence of this country. Located in Ottawa, the grave includes soil from the north, south, east, and west portions of the Alberta Legislature Grounds, a contribution symbolizing that Alberta's contribution to Canada's war efforts has come from every corner of the province.

head: **Presenting Petitions**

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

Mr. Backs: Thank you, Mr. Speaker. I'm pleased to present a petition from some good Albertans from the fine Alberta communities of Rimbey, Ponoka, Holden, Mundare, Ryley, Carseland, and the great Stampede city of Calgary. It reads:

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to prohibit the importation of temporary foreign workers to work on the construction and/or maintenance of oil sands facilities and/or pipelines until the following groups have been accessed and/or trained: Unemployed Albertans and Canadians; Aboriginals; unemployed youth under 25; under-employed landed immigrants; and displaced farmers.

head: **Tabling Returns and Reports**

The Speaker: The hon. Solicitor General.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I have two items to table today. The first is the Alberta Law Enforcement Review Board 2003 annual report, being tabled in accordance with section 14 of the Alberta Police Act. The board is the appeal body for complaints concerning police members, and during the period covered by the report the board made decisions on 44 appeals.

Mr. Speaker, the second document that I have is the victims' programs status report for 2003-2004. This annual report shows that more than \$2 million in grants were provided to 81 victim assistance programs. These programs reported handling more than 32,000 new cases, over half of those involving assistance to victims of violent crimes.

Thank you.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. I have three tablings today. The first one will be the 2002-2005 Edmonton Catholic school board capital plan.

The second one would be a November 27, 2002, *Edmonton Journal* article.

Last would be my correspondence addressed to the Edmonton Catholic school board, in particular to Ms Debbie Engel, chairperson, dated May 2, 2005.

The Speaker: The hon. Member for Strathcona.

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to table the report and recommendations of the MLA AISH Review Committee.

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

Mr. Chase: Thank you, Mr. Speaker. Yesterday in my member's statement I recognized the efforts of two nonprofit groups, the Canoffer Society, which celebrated its 25th anniversary, and the Chrysalis group's 10th annual celebration. Today I would like to table their programs and award recipients.

With the Speaker's permission I would also like to share four lines of a song cowritten by Garth Brooks and Victoria Shaw entitled *The River* that was printed on the Chrysalis program.

The Speaker: Proceed.

Mr. Chase: Thank you.

Too many times we stand aside
And let the water slip away
'Til what we put off 'til tomorrow
Has now become today
So don't you sit upon the shoreline
And say you're satisfied
Choose to chance the rapids
And dare to dance the tide.

Thank you, Mr. Speaker.

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

Mr. Taylor: Thank you, Mr. Speaker. It's my pleasure to rise today and table a letter to me from Sterling Eddy, the president, CEO, and registrar of the Certified Management Accountants of Alberta, in support of Mount Royal College's request to become an undergraduate degree-granting university.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first one is the official program from The King's University College graduation ceremony which occurred on Saturday, April 30, 2005, at Ellerslie Road Baptist Church. The King's University College is quite a famous institution in the community of Edmonton-Gold Bar.

My second tabling this afternoon is a document from the Federal Energy Regulatory Commission. It's actually a transcript of the scandalous dealings of Project Stanley and how it affected power prices not only in Alberta but in the Pacific Northwest. There is direct reference – and I certainly hope that hon. members of this House read it – that calculates the totally unjust profits to the tune of \$940 million for the periods that we discussed earlier in question period.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to table five copies of the third part in a series of op-eds by respected health policy analyst Professor Paul Krugman. In this piece Dr. Krugman warns of the dangers of an ideological obsession with health care privatization.

Thank you, Mr. Speaker.

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

Mr. Martin: Thank you, Mr. Speaker, and I promise not to sing.

I have one document to table today. It is an excerpt from *Alberta Politics Uncovered* by Mark Lisac in which he describes the Alberta government's refusal to participate in a national securities regulatory body.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. I'd like to table a memo that reads that the so-called displaced farmers are actually going to work every day. They work very hard, and although they are currently not making any money, they do have a job and therefore are not able to work in the oil sands, as the opposition naively think.

Thank you.

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

Mr. Backs: Thank you, Mr. Speaker. I'd like to rise and table a release from the Edmonton Social Planning Council released today on the social determinants of health as an innovative approach report. It shows how the social and economic indicators are twice as important as the actual health care system and the cost for health.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk on behalf of the hon. Ms Evans, the Minister of Health and Wellness: pursuant to the Public Health Act the Public Health Appeal Board annual report 2004, and pursuant to the Health Professions Act the College of Hearing Aid Practitioners of Alberta annual report 2004.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Marz in the chair]

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

head: **Main Estimates 2005-06**

Agriculture, Food and Rural Development

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

Mr. Horner: Thank you, Mr. Chairman. It is indeed a pleasure to introduce the budget for the Ministry of Agriculture, Food and Rural Development. Prior to getting into it, I would like to introduce to you and through you to all members of the House some guests that are in our members' gallery this afternoon. These are folks that work diligently every day, sometimes 24/7, for the ag producers in this province and the value-added side of our province and the industry as a whole. In the gallery with us today are John Knapp, assistant deputy minister, sustainable agriculture; Brian Rhiness, assistant deputy minister, industry development; Lou Normand, executive director, rural development initiative; Brad Klak, president of the Agriculture Financial Services Corporation; Jeannie Munroe, the deputy minister's executive assistant; and Bard Haddrell, executive director of ag info services.

2:50

I would also to acknowledge, if I may, Mr. Chairman, some folks who are not in the gallery but who have had a great deal to do with the budget presentation today: Faye Rault, executive director of the ag corporate services; Krish Krishnaswamy, vice-president of finance, Ag Financial Services Corporation; Terry Willock, director of communications; and my executive assistant, Jason Krips.

I'd ask the members in the gallery to rise and receive the welcome of the House, if I may.

It's very easy, Mr. Chairman, to look good when you have a great executive team, which I have in this department.

Once again, Mr. Chairman, it is my pleasure this afternoon to present the estimates for the Ministry of Agriculture, Food and Rural Development. We find ourselves travelling in a little bit of uncharted waters again, but thanks to the unparalleled guidance and support from our industry and our MLAs, we've been able to help steer our industry in all aspects. While we might not have reached the promised land yet, we are on course to do so.

The last five years or so have not been the most happy time in our industry. From floods to droughts to pests Alberta's farmers and ranchers have faced one of the worst combinations of circumstances

in our province's history. They've had to deal not only with natural obstacles but man-made ones as well. High input costs, border closures, trade disputes, and unfair tariffs have all tried to grind our industry down, yet our producers survive and meet the challenges and prosper.

Even with our obstacles Alberta continues to have one of the most diverse and innovative ag industries in the country and perhaps even in the world. We're fortunate enough to have an industry that is willing to continue to innovate and continue to move forward into the future.

And that's what this budget does: it will usher our ag industry into the future while ensuring that the present challenges are met. We made sure that this year's budget reflected not only the realities agriculture faces today but the reality we want for tomorrow. We have some mighty big goals for our ag industry, 20-10 by 2010; that is, \$20 billion in value-added production and \$10 billion in primary production by the year 2010. That goal is still in sight. It's achievable because of initiatives like the ag value processing business incubator in Leduc, and it's achievable with the work we're doing on the eight industry-identified key growth initiatives, key areas of growth for our industry.

While some of this growth is directly dependent on government determining what we can do better to promote growth in other areas, nontraditional areas especially, like functional foods and natural health products, these nontraditional areas will provide important diversification for our industry.

We're also looking to the future of our primary industries. For example, we're making a long-term investment into our ag research associations with a \$1.5 million increase. This will help to bridge the gap between pure research and farmer-ready advancements. And by helping them, we are helping our primary producers, our rural and urban communities, and our entire province. It's a smart investment in the future of our industry.

Speaking of a smart investment, Mr. Chairman, I was pleased to see such a strong investment going into rural Alberta through this year's provincial budget. This is in large part because now we have articulated a vision for rural Alberta in the rural development strategy. We recently released the strategy *A Place to Grow* and formed a task force to guide its implementation. The strategy, built on more than two years of consultation, will be led now by an MLA task force chaired by the Member for Battle River-Wainwright. Joining him will be the members for Cypress-Medicine Hat and Dunvegan-Central Peace.

We are committed to ensuring that rural Alberta has the initiatives, the programs, and the tools they need to remain sustainable. That's why Budget 2005 dedicated some significant investment toward helping rural communities. While many of these initiatives don't fall under my ministry, I probably point to them to show that we're moving forward on the rural development strategy.

However, there are some very important things that my ministry is doing to support the rural development strategy and our ag industry. We've more than doubled the funding for Alberta's ag service boards with a \$5.6 million increase. This will help our agriculture service boards continue their 60 years of dedicated service to our industry and to our rural communities. We're also providing \$22 million in funding to irrigation rehabilitation, improving the efficiency of our irrigation networks.

Of course, it would be foolish to talk about building value-added in our rural communities without first dealing with what's happening in our cattle and ruminant industry. Perhaps the most disappointing thing about this whole situation is that everyone – from the U.S. president, our federal government, our industry, the U.S. industry, their processors, our processors – wants the border to be open. But

for a single judge and a small group of protectionist ranchers it would be open. However, we're focusing our attention on what we can change and not on what we can't change. Moving the U.S. court process any faster is one of the things that falls into the can't category, but moving forward on our six-point plan falls into the can category, and we are moving forward in that direction.

Capacity is up more than 22 per cent from 2004. With planned capacity coming online later this year and early next year, we should be able to process virtually everything that we produce. Our inventory management programs continue to stabilize the market while being as market neutral as possible, and we're committed to keeping them going as long as the industry needs them. In that light, Budget 2005 invests more than \$133 million to continue the Canada/Alberta set-aside program in response to the continued border closure.

Testing for BSE is at an all-time high. In fact, we've already met our targets for 2005, and it's not even June. We're going to keep those number up, which is why we're investing \$15 million for ongoing funding for BSE surveillance. This investment will ensure that Alberta leads the country in animal disease surveillance.

We continue to make adjustments to our other income stabilization programs like CAIS to make sure that they are responsive to our producers' needs, and we're investing \$114 million to support those changes and the ongoing delivery of the program.

We need to diversify our markets and become less reliant on the United States. It would be naive to think that we could replace them as our number one customer, but we do need to reduce our reliance upon them. That's why we've dedicated \$30 million in last year's budget for the beef market development and retention fund, that will help industry seek more markets and build on existing ones.

But we also need to know more about this disease, how it works and how it spreads, which is why we're committed to ensuring that Alberta becomes a center of excellence for prion research.

Mr. Chairman, thank you for allowing me to speak about an industry that I and many others in this House love very, very much. However, now I must speak about the budget and what we're doing this year. Let me sum up what planned increases we have for this year.

The department's voted spending has increased from the 2004-05 budget by approximately \$160 million. This increase includes more than \$133 million to continue the Canada/Alberta set-aside program in response to the continued border closure and \$15 million for ongoing funding for BSE surveillance, ensuring that Alberta leads the country in animal disease surveillance. And as I mentioned earlier, we've more than doubled our funding for Alberta's ag service boards with a \$5.6 million increase. We've increased spending for irrigation rehabilitation by \$3 million, which increases grant support provided through this program to \$22 million.

This budget is based on several assumptions: that commodity prices will not decline further is one assumption, that interest rates will remain stable, and that we will not experience a disastrous year of claims under the income stabilization and crop insurance programs. These assumptions mean that achieving the plan is subject to some major risks: widespread crop production losses due to poor weather conditions, including drought; a major livestock disease outbreak such as foot-and-mouth; further declines in global commodity prices, particularly crops; and changes in the economy such as an increased interest rate or a stronger Canadian dollar. These four items could affect farm income dramatically and in turn impact indemnities paid out under crop insurance and the Canadian ag income stabilization program. We've not built that into the plan to deal with another disastrous year of claims, but it is something that should be noted.

I want to assure all hon. members that the prosperity and sustainability of our agricultural industry remains a priority of this government. Also, I want to thank the hon. members for their support throughout this past year. The industry is growing and changing rapidly, and we know that to respond to this growing industry and to help its development, we have to change and grow with it.

I thank you for your time this afternoon. I look forward to the comments and questions, Mr. Chairman, and will conclude my remarks with that.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise and participate in the budget estimates this afternoon for Agriculture, Food and Rural Development. This is one of the bigger departments, certainly, with well over a billion dollars in spending.

Certainly, the minister is absolutely correct when he states that it has been rather difficult for some sectors of our rural economy. In the last few years there have been ongoing issues: trade, weather, you name it. We certainly have to ensure that we have good public policy in the future to enable food to be produced in rural areas and sold in urban areas that is affordable. We sometimes overlook the fact that we produce so much food at affordable prices. It would be the basis of our economic prosperity. Sometimes that's overlooked, and it is unfortunate.

3:00

I for one think it is very good public policy to ensure that food production remains in the hands of many, not concentrated in the hands of a few. Whenever we see market concentration at its worst, we have to look at the beef processing industry in this province. I don't think it is good public policy to ensure that maybe two or three different enterprises control such a large part of the processing industry for beef and beef products, and a lot of the producers feel very strongly about that too.

Specifically to this department, Mr. Chairman, we look at the Department of Agriculture, Food, and Rural Development and the four program areas, and there are many very good programs, but there are some that certainly raise questions for this hon. member. Steps have been taken by this government. We look at the BSE issue. The government has spent billions of dollars on farm programs, but the prices of particularly beef are probably going to remain stagnant for the farmers.

Now, we all know that the border has remained closed with America, and quite possibly it will be closed, unfortunately, for a longer period. I hope that in July it does open, at least partially. At first I think we can expect a partial reopening of the border, and then maybe within six months or so there will be full trade. I think it's very important that this happen very soon before we start dealing with the next round of U.S. presidential elections. In some of those states in the Midwest, unfortunately, the Americans may play the protectionist hand, and that doesn't serve our interests whatsoever.

I don't understand why there is no money that I see in this budget to facilitate the developing of packing plants through co-ops in this province. I would also, Mr. Chairman, like to know how the relationship between Cargill and Rancher's Beef meets our interest. I don't know how all this works out, how this is going to help the producers. It has been reported that although Rancher's Beef or Ranchers Own was not supposed to receive money from this government for its development – that's what my research indicates – why did that company report that it was receiving money from the

provincial government through the county? Is my research accurate, or is it inaccurate? How come this company received funding when no other company that I'm aware of has received any of these allocations?

We understand and I think this side of the House fully supports some money going into BSE research. There certainly was a huge amount of money set aside for research into BSE. I would like an update on the progress of the research being done into BSE. Hopefully, the efforts that are being made in this province are not being duplicated in another jurisdiction. I hope to hear that we are working co-operatively not only with the federal government but also other provinces that have been affected by this unfortunate outbreak of BSE.

Now, the cow-calf set-aside program has come to an end, but if there's new money, where is the new money to keep these cattle on the farm? Where is that coming from? What are the farmers to do now that the border has remained closed and prices have remained so low for so long?

This gets us, certainly, to the Washington trade office. I would be grateful for an update on how much work our envoy, our ambassador, Murray Smith, has done on behalf of Alberta agriculture and Alberta producers to facilitate the border opening. What sort of lobbying is going on there?

Now, the Agriculture Financial Services Corporation is quite an operation. In fact, it states on the 2003-04 annual report, "Unique Financial Services." That's quite a description. I hear every day, in fact we heard in question period a little earlier, about free enterprise in this province, and I'm astonished to look in the local weekend papers and see advertisements from Agriculture Financial Services Corporation for loans. I know we already own our own bank in this province, the Alberta Treasury Branches, but how does this fit the philosophy of the government? We are advertising that we have this money to loan not only to farmers but to small businesses. How do the charter banks feel about this set-up, and exactly why are we involved in this?

I can see in specific cases here where we're going to subsidize crop insurance. We're going to have income support programs. We're going to have hay and pasture insurance, hail insurance, waterfowl and wildlife insurance. I can understand that, and I can certainly live with that because what's unique here is the farm community. But why are we all of a sudden branching out with Agriculture Financial Services Corporation for advertising all these loans? If this isn't a subsidy, I don't know what is. I don't know if the charter banks have complained to the ministry about this process or not, but I would be interested in an update for this.

I look at the board of directors of this government company, if we can call it that, and there's a lot of money here. There's all kinds of money in this annual report: how it's spent, where it's spent, if we have a deficit or not. In fact, we had a deficit the previous year of over \$290 million, I believe, but there's a significant budget. Now, how do we set up the boards of directors? I'm sure they're accountable to the minister, but exactly who are these people, and how do they govern themselves whenever we have a board committee membership, an Executive Committee, an Audit Committee, a risk management committee, a Credit Committee, and a Hearing Committee? It just seems to be a circle. I would like to know if there are any governance issues with the Agriculture Financial Services Corporation at this time.

3:10

Certainly, the government has had complaints about the lateness of CAIS payments, and that has been discussed in question period in this House. It's unfortunate that farmers are having to wait so long

for their money, but why was there such a delay in the CAIS payments? I understand the minister had to step in and blow the whistle and read some people the riot act. I commend him for doing that, but I don't think it should have happened in the first place. Also, how much does it cost to process one CAIS claim from the start to the time the cheque to the farmer is in the mailbox at the end of the lane? I would like to know how the administrative costs for the CAIS program compare with other government ministries and other government programs.

Now, the rural development strategy. The government has announced its next step in rural development is focusing on what can be done to aid our small towns. I understand that this is going to be the number one priority, and I believe we're talking about page 135 here. What is the minister's plan to help keep buildings such as schools open in rural communities so that municipalities can maintain their services? Is the ministry working with the ministry of infrastructure to implement the whole idea of community schools?

Certainly, to keep their high school open, the citizens of Sangudo – one parent, to his credit, had to go to court and force the school board up there to halt their closure process. In another town, Bruderheim, the citizens had to work very hard and work collectively to reverse a decision to have a public school remain in their town.

An Hon. Member: What's wrong with Bruderheim?

Mr. MacDonald: There is absolutely nothing the matter with Bruderheim, and the citizens of that community should not have been forced to go to those extraordinary measures to save their schools.

There are certainly in low-enrolment areas, whether they're in the city or in the rural communities, other uses for those facilities. Hopefully, that is going to become part of this government's rural development strategy. Maybe we could deliver health care from some of those structures. There are lots of good ideas. Maybe even for some of the agricultural offices that were closed in 2002, if there's no space, we wouldn't have to lease any space. Maybe we could take one end of a school and convert it into an office so that a farmer doesn't have to travel for two hours and pack a lunch to visit an agricultural office or an adviser. There are a number of things that could be done.

Another issue for a lot of rural communities is the issue of the ambulances, and who's going to pay for the ambulances. What is the ministry doing to help municipalities with the rural development strategy? I know there were big promises made, and it was only going to cost this much to transfer this to the province. In a lot of the rural communities volunteers – and we should be very grateful for their time – provide the ambulance service. People even take time off from work to help with the ambulances when necessary. If we're going to have a rural development strategy, that should be part of it. Exactly how are we going to develop a province-wide ambulance system?

Now, environmentally sustainable agriculture. Certainly, the hon. Member for Calgary-Mountain View has some interesting ideas on that.

Getting at this time, Mr. Chairman, to the specific financial questions in regard to the budget, I see on page 142 of the business plan that while farm income support last year certainly was close to a billion dollars, this year it's forecast to be \$800 million, and into the future we're looking at less than \$400 million. Two years into the future we're looking at \$400 million in farm income support. That may be optimistic. I certainly hope that is an assumption, that our border will open with America for live cattle, but what is the

basis for that assumption? That's a significant drop in an expense program for farm income support. How does the minister calculate that?

Now, certainly, debt servicing costs – and that's why it's so important that we have good governance with the Alberta financial services corporation. There is on an annual basis close to \$50 million in debt servicing costs there. Again, we need to have confidence that that corporation is being run well.

Also, while we're there, I would like to talk about the Feeder Associations. It's not long since we in this Assembly had an amendment to deal with the Feeder Associations. How much, if anything, would the Alberta government be on the hook for loan guarantees to the Feeder Associations if the border is not to reopen in July to live cattle? Again, on this feeder cattle program, how is the feeder cattle program working? I assume that these loan guarantees are through the chartered banks. Are the chartered banks or the Feeder Associations satisfied with the current arrangement, or are they starting to get nervous? How is all this working?

Before I cede the floor to another member, in cases of feedlots that go bankrupt and they've been in business for quite some time, who pays for the clean-up costs? Who's on the hook for that? You always hear, particularly down around Lethbridge, you know, the huge volumes of waste that are created as a result of the concentration of livestock. Now, is the groundwater affected? What happens to the neighbourhood around the feedlot? [Mr. MacDonald's speaking time expired] I hope to continue with this later.

Thank you.

The Chair: The hon. minister.

3:20

Mr. Horner: Well, thank you, Mr. Chairman. A whole raft of questions in there. I will try, hon. member, to answer as many of them as I can possibly can. Should I either not get to them or can't answer them, I will certainly get back to you, to any hon. member, with a written response that would include the detail and the answers. We will also review *Hansard*, as many other ministries do, and ensure that we've got the answers to your questions so that you're not left wanting for any of those sorts of things.

At the outset, Mr. Chairman, the hon. member was talking about good public policy in regard to market concentration. At the outset I thought he was talking about something in the way of market access and concentration of market access with one customer because in my past days in the food industry it was always considered an extremely high risk if you only had one customer for your product, be that Safeway or be it the IGAs or whoever it was, because if that customer all of a sudden delisted you, you were out of business.

So I was thinking about a response in terms of that's why we have stepped up to the plate, prior to the federal government stepping up to the plate, to invest \$30 million with the beef industry through the Canada Beef Export Federation on a 10-year program to diversify those markets and to get ourselves in a position where we are much more diversified in our marketing strategy, which gives us a much stronger footing should something happen in any one of those markets or countries or customers.

But the hon. member went on to talk about market concentration of production. I guess that my comment there is something that I've said to a number of producers and groups and associations around the province. It isn't of terrible concern to me in terms of ownership as long as there are a number of different owners because a number of different owners create a number of different buyers.

Of the groups that are forming today and over the last four or five

years, we've essentially had three major buyers of cattle in the province. We probably will have five major buyers of cattle by the end of this year, and I think that's an extremely positive step for the industry as a whole. It's an extremely positive step from where we were before. I think there's the very good likelihood that by the end of next year we may add two, maybe three more buyers into the marketplace, which means two or three different owners of processing facilities in the province. So I agree that you don't want to concentrate the number of buyers in the province. You want to have a number of different buyers in the province, and we're working towards that goal.

There was another comment, Mr. Chairman, that we had spent billions of dollars on farm programs, but prices remain stagnant. He was talking a little bit about the set-aside program and perhaps a partial reopening of the border. I know at the back side there was also a question about how the set-aside is working, so I'm going to tackle that kind of combined.

Essentially, what I think has happened is that we are learning – and the industry is learning with us – as to how we develop and work the set-aside program. Remember, it's based on a national committee. In Alberta we have the added benefit to our producers of the set-aside with a basis included in that. In other provinces they do not. We're working with our industry and our association to manage the marketplace as best we can by pulling those cattle back from the processors and creating a demand for cattle that may not have been there had we not done anything.

I would say, Mr. Chairman, that overall in the last four to five months the set-aside program has worked rather well because we have stabilized feeder cattle up in that 80-cent range. I know that we had a little drop in that a couple weeks ago, where we dropped down a little bit. That was a combination of factors. In the marketplace you have what we call fundamentals. If you were to look at this type of a regulated marketplace, the fundamentals were pointing to a lowering of the price, so the market actually reacted to what they perceived was going to be the number of cattle coming out of the marketplace before the committee even made their decision.

I think we've rectified that. I think the industry's working toward being more aggressive on setting more cattle aside. I think that as an industry/government partnership it's been working quite well to stabilize those prices. By doing that, Mr. Chairman, when you stabilize the prices of the marketplace, you actually draw animals through the system. You create a market for those cow-calf operators that are out there raising calves this spring, a place for those calves to go. I think that's very, very important when you look at how we're managing the entire situation.

The hon. member talked about the billions of dollars that we have put into the programs. I would point out that at this juncture in May of 2005 the provincial government of Alberta has contributed close to \$3.3 billion to on-farm income through drought and BSE assistance from 2002 to today. Of that \$3.3 billion we've received from the federal government a little over a billion dollars. I think that speaks, Mr. Chairman, to the commitment that this government has set forward to helping our producers in the province. We're basically on a 2 to 1 ratio with the federal government. It would be wonderful for them to step up to the plate a little bit more and help us out with that.

The hon. member also mentioned the protectionist forces in the United States and his concern that we may be going to another presidential election or that the politics of the Americans, if you will, may cause us more delays, as it did a couple of years ago. I think it's certainly a concern. It's a far-out, in terms of time, concern that I think we might look at. But in terms of the idea that the protectionist forces are working against us, I think we have to keep it in

context. We have probably 85 per cent of the farm community in the United States on our side. We have the President of the United States on our side. We have the United States Department of Agriculture on our side. We have the National Cattlemen's Beef Association on our side. We have the American Meat Institute on our side.

We have a large number of people who are realizing that the longer the border stays closed, the more harm comes to the U.S. industry, and the Canadian industry grows stronger. So I think we've got a lot of friends on that side of the border. I think we've got a momentum building now because they're starting to see the damage this is causing them. They're starting to see that the longer they keep their border closed, it may be that the longer the Japanese keep their border closed to them. That, indeed, is something that is of concern to a number of the American producers.

I can talk a lot about when I think the border might open. Really, if you talk to five Washington lawyers, you're going to get five different answers as to when the border's going to open. So it's very, very difficult for anyone and probably even somewhat irresponsible to pick a day and say that that's when the border's going to open. So I'm not about to do that. I can tell you that we're working very, very hard with the Alberta Beef Producers, with the Canadian Cattlemen's Association, with the federal government, and with anybody else who has a legitimate chance of achieving some sort of success at moving the ball forward on gaining market access and opening the border and getting that USDA rule as it was put in applied and open.

The hon. member also mentioned something about a relationship between Cargill and Rancher's Beef. You know, I'm sorry, Mr. Chairman, but I'm at kind of a loss as to what that relationship might be because, as I understand it, there is no relationship between Cargill and Rancher's Beef. I'm not exactly sure where he's going there. It may be simply some innuendo to try to raise some concern. I don't know. But as far as I know, there is none.

In terms of the Sunterra operation, north of Calgary is the proposed site, in the MD of Rocky View. The hon. member was asking the question as to whether or not there have been grants directly made to that operation. I can say: no, there has not. The MD of Rocky View, like all MDs, has the ability to apply for structural and infrastructure grants through our department. It's open to any other county. It's for one-third of the infrastructure that might go into water, sewer, all those sorts of things. So the MD is actually making that application, and we're supporting the MD in that application.

In terms of funding for other beef packing plants, I think it was about this time in his discussion that he was talking about: what are we doing in that regard? It's interesting that he brings up the Ag Financial Services Corporation a little later on in his discussion, asking why we're doing that. Well, the two of them are combined because we are using the Ag Financial Services, which is a previous amalgamation of the – and the member may actually remember this. I don't know if he was involved at the time that this particular group was around, but it was called the Alberta Opportunity Company. The Alberta Opportunity Company was more or less a lender of last resort in the province for rural Alberta. AOC, as it was known then, has been around for many, many years. It was amalgamated with AFSC, Ag Financial Services Corp., in 2002. The whole methodology around AOC was to provide loans to businesses with higher risks than what the chartered banks would be willing to lend.

3:30

What the amalgamation was and the reason that you'll see those types of lendings in the annual report, which the hon. member has,

is because it allowed for administrative savings and to relocate some program delivery. AFSC is a lender of last resort for small rural businesses in the development of specific sectors in agriculture. Specifically, in the last 18 months they've been doing yeomen's work on adding value to our beef processing industry and, in fact, have involvement in a number of projects which I believe are going to go ahead.

Those projects are developed based on a business plan and a business case. They have presented themselves as doing their homework and showing that they know where their markets are, which is probably the most important and key element in a value-added industry, and AFSC has stepped up to the plate, perhaps where a chartered bank wouldn't. Certainly, when we talk about farmer co-operatives or new generation co-ops, that's an area of lending that the chartered banks are probably a little skittish on right now because it's something new.

We're stepping up to the plate, Mr. Chairman, to help new generation co-ops achieve their dreams of diversifying the value-added beef industry in this province and any other industry, whether it be poultry or the hog industry or, indeed, if we ever had a free market in grains, perhaps we'd have some value-added in the cereals end of things, and we might be able to actually add in something along those lines. I hope AFSC is there to lend to those new generation co-ops just as they are there today to lend to the beef industry.

The hon. member talked about our efforts on BSE and the TSE research. I'm pleased to tell the hon. member that we did indeed this year, out of last year's budget dollars, set aside \$38 million that is to go toward prion research. What we did before that, Mr. Chairman – and this is very important – is that we had the Department of Innovation and Science, the department of agriculture, and the universities that are now currently involved in some of this go through and do an inventory of world research on prions and what's happening in the U.K., what's happening in the United States, what's happening in Europe, and what's happening in Japan, the studies and the research going on there.

The last thing that we wanted to do, just as the hon. member mentioned, is to redo something that somebody else is already doing. Certainly, we want to fit the gap that might be there. Using our experience here that we've gained in BSE research, we wanted to fit that gap and make sure that our dollars went to that and perhaps even attract some of those leading researchers from around the world to come here and complete their research and make us the centre of excellence for research in TSEs. That would include BSE. That would include CWD. I know the hon. Member for Calgary-Mountain View is very interested and concerned about CWD. We want to make sure that we know as much as possible about what is going on around the world.

The hon. member also talked about what the Washington trade office is doing for us. I can tell the hon. member that I've only been to Washington one time as an elected official. I had been to Washington previous to that in my past life in the real world of private enterprise, but going there as an elected official and visiting some of these locales where the Congressmen or the Senators have their offices is a totally different experience because it is a lobbying mecca. It is filled with a river of lobbyists, and we can get lost in that river very, very easily. Having someone on the ground that is representing our interests and knocking on those doors prior to our visit made all the difference in the world.

I was able, Mr. Chairman, to meet with the Senator from Montana, one who we thought was going to be rather opposed to our view of the world. My comment to him was that all politics is local [interjection] – no, I didn't say that, though I was tempted – and that we

understand that he has to play to that particular group that is centred around his state. But it was interesting to note that he also understands the integrated nature of our beef industry. Had it not been for our representative, or our envoy if you want to call him that, on the ground to open those doors, it would be highly unlikely that the minister of agriculture from Alberta, a province which most of those Senators are still trying to find on a map – oh, I'll probably get in trouble for that one – would have got the meeting.

I think the other thing that is extremely important for us is information and intelligence coming out of Washington in terms of what the Congressmen and what the Senators are thinking, where some of these things are going, because Canada as a whole has a whole raft of issues that they're dealing with with the United States. Sometimes our Alberta issues might get lost in the shuffle around that. Obviously, BSE has been at the top of the radar screen from a national level, but having an Alberta representative there to talk specifically about Alberta issues, whether that's BSE, whether that's the forestry industry, which was brought up today in question period, whether that's the oil and gas industry, whether it's pipelines, whether it's, indeed, even goat shipments to California, Mr. Chairman – there are regulatory things that are only dealt with in Washington, and we need to have somebody there.

Quite frankly, it has been extremely valuable for us to have someone that I can pick up the phone as the minister and say: "What's going on with this? What's going on with this Senator? What's going on with this Congressmen?" So I think it's been a very, very prudent move for us to do that. I think we should probably do it with Ottawa as well. That's a personal opinion.

The hon. member was also talking about advertising of AFSC. AFSC does a fair bit of advertising, Mr. Chairman, because many of our programs have deadlines, and one of the problems that we run into is that many people call us and say: well, I didn't know it was a deadline. It's important for us to get the advertising out, and certainly with AFSC being the deliverer of a number of these programs, it's very important that they do spend the time and spend the dollars advertising.

A good example of this is the spring price endorsement premium reduction that we did this spring to help farmers with their input costs and to give them a risk management tool that could potentially save them some grief in the fall. It may not work for all producers, but we should encourage them to do the calculations and see if it would work for them. It was important that AFSC get that out there very, very quickly because we had a three-week window.

Even I saw in my local community papers a number of advertisements from AFSC talking to producers to make sure that they got their election in on their crop insurance, to make sure that they contacted the office to find out if it was right for them. Certainly, if we have some business enterprises that may be looking at a lender of last resort, like AFSC is, we want them to know that we're there. If we have a new gen co-op that wants to present a business plan, we want them to know where to go to present that business plan and to see what may be an outlet for them to see their dream become reality.

The hon. member also talked about slow CAIS payments. I see my time is drawing short, Mr. Chairman, so perhaps we'll be able to get a little bit more into this after the next set of questions.

The hon. member is very, very correct. We did have some issues with slow CAIS payments. I don't think that the minister used any kind of coercion or any kind of – I forget what the hon. member's comment was about stepping into it to make it happen. I think I have an excellent team of advisors and executives that run AFSC and a huge commitment on behalf of the staff of AFSC to make CAIS work and also a huge commitment on their behalf to support

the ag industry because they are intimately aware of what's going on out in the country. They knew they had to get things going faster. They knew that they needed to do some things to get those dollars out there in a very, very quick fashion.

I'm very, very pleased to say that, yeah, while I may be a part of the team, it is a team effort, and they did a wonderful job in getting close to \$300 million out in probably a two-week period to producers who needed it for spring seeding this year to help offset input costs. I think that is a miraculous achievement given the complexity of the program, given the volume of the applications and the complexity of the applications, that have to be audited and verified. That's part of accountability, which I'm sure the hon. member would want us to have in the department and in the program. Certainly, the Auditor General looks at those things. So we have to be very aware of the time that it takes for each of those applications.

Perhaps I'll get some more time later, Mr. Chairman.

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

3:40

Mr. Martin: Thank you, Mr. Chairman. Just one quick question about the budget, and then I'll make some comments in some of the same areas that have been covered but with a slightly different perspective.

I noticed that in the industry development program I believe there was a \$17 million drop in agrifood investment. Specifically, processing investment is being dropped. I'm sort of interested in why there was that \$17 million drop. The minister, I think, was talking about the need for diversification in rural Alberta. It seems to me that that would be a major initiative, but there seems to be a drop. There may be a legitimate reason for it, but I'd be interested in the minister's comments.

The second area, though, I want to go into in a general discussion with the minister because it's been raised with us. It's about crop insurance. Some farmers are telling us that they're concerned about crop insurance. I'd like to lay out their concern and see if the minister has some comments about it.

As the minister is well aware, production insurance pays when a farmer's harvested yield falls below their protection guarantee, or their coverage. Payments for yield shortfalls are based on spring insurance policies, which are established in January so they are available when producers are making their insurance decisions. These prices are a forecast of the average market for the upcoming year. I believe for this year there were some adjustments, as I recollect, on that. The minister could maybe fill me in as a press release maybe came across my desk.

The concern that they have about this form of insurance is this: they say that there are a couple of problems. Number one, distributing funds on average yields can cause problems. We spoke with a farmer from Mannville. A couple of years ago his crops were nil. In fact, he didn't even bother combining due to the drought. Because insurance is based on yields over a five-year average, one very bad year pulled his average yield so that he must have a very rotten year in order to get adequate funding. In other words, he seems to feel that there's a better way to do it than over that five-year average. If you have that sort of year, according to him, that creates that sort of a problem.

Then the farmers went on to say that per-acre funding is not always equitable. Larger farmers have economies of scale at work, and the cost for a large farmer to, say, increase their production by one acre is less than for the smaller farmer, yet the smaller farmer and the larger farmer are both compensated the same per acre through this crop insurance system. Increasingly, small farmers are

finding it difficult to compete. So I guess they're asking if there is not a better way than the per-acre funding.

Another question. I think I probably know the answer to this because they treat it as an insurance policy. The question was asked: why can't farmers get 100 per cent coverage on their crop insurance? Currently farmers can only get 80 per cent maximum coverage. They point out that if a farmer's crops fail completely, they can only get 80 per cent of their five-year average back. It's like a 20 per cent deductible. The question this particular farmer was asking was: why can't farmers pay the extra money to get the extra coverage? I take it that the answer is that it's probably like an insurance policy. It's a 20 per cent deductible. But his point would be: why can't it be offered that they could participate even if they paid more in their payments? So I'd like the minister's thoughts about that if I could, Mr. Chairman.

I'd like to try to get a handle on the CAIS program because there have been some questions asked in the Legislature here, and there have been some press releases that the minister has put out. I think he's acknowledged it. The Member for Edmonton-Gold Bar talked about payments, and I didn't quite hear whether they were up to date now or not. I know that they were behind.

The other thing about the CAIS program. The minister has indicated that he believes that at least the concept is a good idea. As I recollect from a March 9 press release, "Provincial and federal governments have agreed for the need to revisit the . . . CAIS program," and they'll be working "with industry to develop alternatives for the deposit requirement." I don't recollect seeing these details. Perhaps I've missed them, but the details on this were to come through by March 31.

The other thing that I alluded to: the 9,000 outstanding claims were to be done, I believe, by the end of last month. Have all those claims been handled?

The third thing about CAIS that I want to come back to: has the minister met with the other ministers of agriculture to look at this program, as they said they would do? What has come out of that to make it a program that is better? I think one of the complaints I've heard about the CAIS program is similar to the crop insurance, that if you have the five years – and we've had so many years in agriculture, whether it be BSE or drought in the grain sector or whatever – the amount of money that they can get keeps going down. I wondered if that's one of the things that they're looking at. If the minister can update us on that.

Mr. Chairman, just to move from CAIS back to BSE, I'm sure not our favourite topic because of the devastation, I notice that this year's budget has trimmed \$622 million from last year's budget that was earmarked for BSE relief. The funding at that time, I understand, was one-time disaster funding, but we're still having the same problems. I wondered if the minister sees that the budget is enough, or are we going to have to revisit this? I know it depends on, partly, when the American border opens. But if the minister can give us his best analysis of that.

Mr. Chairman, I'd be remiss if I didn't, from question period, talk about the Conservative Party of Canada. As the minister is well aware, they went after the federal Liberals and said that they wanted to get intervenor status whenever R-CALF came back to court, and they accused the Liberals – apparently, the Liberal government had attempted to get intervenor status and was turned down. That's my understanding. I think they quote in there that they're too timid and all sorts of things. Well, as I said, if their kissing cousins thought the federal Liberals were too timid, perhaps they thought the same about us.

I know the minister said that we prefer to work with them, but sometimes you need the stick too. It seems to me that if the federal

Conservatives are applying for intervenor status – and I say: good for them – then perhaps the provincial government should do it too to add a little more clout. I would hope that they might revisit that because I think the minister said – and I agree – that a lot of this is politics. We understand that. But it's politics to show strength there too. Whether it's a court case or not, the minister would admit that it was politics that led to the court case, so the more strength we can show in dealing with the R-CALF group, I think it's important to do. I would just say that the same criticism could be leveled here as the federal Conservatives are leveling at the federal Liberals.

3:50

The other point I'd make – and the minister has alluded to it – is that we have to increase slaughter capacity. I know that he said that there are more groups coming on, and that's probably true, but there are still three or four major players here. If I look at a CanFax report, they're still doing very well, getting that cattle cheaply from the farmers. Their profits are booming up to where they were a year or so ago. So we have this problem.

The minister back in one of the releases also talked about, I think it was, \$30 million, \$32 million to look at marketing in other parts of the world than the United States. I think that's great. I think we have to do that. Many people, many cattle producers are telling me that in some ways maybe this has been a wake-up call about the American border. We had too many of our eggs in one basket. Maybe this will help us diversify our marketing strategy and get into some other markets.

That, I think, means that we're going to have to change some things here. I don't know why the government is so reluctant to move to the testing of animals 30 months and over and perhaps deal with – I don't know if it's a safety factor or not; I don't pretend to be a scientist – the prion testing of animals prior to slaughter. I think we're going to have to begin to do these things. We can say that the science does not advocate that we have to do all this, but if the opinion – and it's starting to happen in Canada – around the world is that they want this, then the reality is that we're going to have to do it.

The minister shakes his head, but that's what the European common market and others are doing. We don't believe that it would be that expensive. I think that's one of the ways, I say with all due respect to the minister, that we're going to have to move if we want to increase markets around the world. I think that's going to happen, whether we like it or not.

I know the point that you want to make is that the science here, we think, is solid. The minister has said that. But perception is everything, Mr. Minister, and if people don't believe that and because of the things that the Americans are doing to us – and it's around the world – I'm saying that we should do everything possible. Two things: increase our slaughter capacity, and whether people believe the science or not, let's do things differently with prions and the testing of animals if we have to do it. That's what I'm saying. I think that's going to come, Mr. Minister, whether we like it or not.

Tying into that, I wonder why – and the minister said that he'd have something to say about this – the government hasn't been more supportive of 600 and some farmers who want to do a co-op in the Peace River, the Tender Beef Co-op. They're prepared to be far more rigorous. They say that a hundred per cent of their animals will be tested prior to slaughter, that the animals would be raised without hormones, and that they'd have a private lab. They think they can do it. They think they can get markets, especially in Europe, Germany, and places like that, if they do these sorts of things. I guess I would say to the minister that I would be encourag-

ing them, if economically they can do this, to begin to do this. Talking to them, there would be a lot of very positive environmental things flowing from this. But there seems to be some sort of hiccup here with the provincial government. I know it wasn't in this minister's time, but I don't know what the problem is, why we would not be encouraging here increased slaughter capacity plus doing things a little differently, that may lead us to those markets.

Mr. Chairman, I always lose track of time here. I think I have a few minutes left. I'd like to just talk a bit about the Wheat Board. I quote from the minister – well, not the minister but the throne speech, but he probably had something to say about it. The throne speech said:

We will work to strengthen this vital sector by continuing to advocate for marketing choice for wheat and barley. The global marketplace is demanding that we move to a more competitive marketing system. Alberta will push for a new business model for the Canadian Wheat Board, one with market choice, so that Alberta farmers can be more competitive in the value-added market.

Mr. Speaker, I think it's foolish in the extreme for farmers to think that just because you have a computer now, you can somehow beat the Cargills of the world in the open market. But saying that as it is, the Wheat Board, it's my understanding – and the minister would be well aware of this – is trying to adapt to this new reality. When they were here meeting with the Wheat Board – I think they had a meeting with the minister. No. I guess it was cancelled. But I did meet with them.

What they are doing, it seems to me, is taking advice from the Speech from the Throne. Last year 3 million tonnes were sold in outside sales, the highest tonnage ever. Selling that makes sense. They now have an option to sell on their own. Like a mortgage there's a variable rate or a three-year fixed price for farmers who want to sell on their own. So they're moving in the directions somewhat that the Speech from the Throne talked about. This new crop year there's going to be another option: daily cash prices. Farmers can sell in the U.S. I suppose this is like the stock market. They can gamble on the daily price on the U.S. market if they want to. So it seems to me that the Wheat Board is attempting to adapt to some of the criticisms that this government has been promoting.

I believe that there's a reason we got into the single-desk selling many years ago. I think it's foolish in the extreme to say that most farmers would benefit if you didn't have a Canadian Wheat Board. Certainly, it would be an advantage if you're closer to the border. It's certainly not going to be an advantage to people in the Peace River or in northern Alberta.

I'd think that the fact that they're attempting to adapt, to let farmers play in the open market – that's what I'm told that they wanted – would make this minister happy and this government happy, but it seems that they're not happy unless they dismantle the whole thing. That's not going to happen in the other provinces because the other two prairie provinces want to keep the Wheat Board.

So we can keep arguing this time and time again, but there is some encouragement here to do this. As I say, I don't know if the minister has met with them recently or not, but I make the case that they've moved some way in this, in what the government wanted, and there should be some encouragement rather than continually haranguing the Wheat Board. Remember that they run in elections, just like we do, and the farmers that believe in the Wheat Board keep getting elected. [interjection] Well, I mean, I could say the same thing. I don't like all the Conservatives that get elected in rural Alberta, but the fact remains that this election is just as democratic as elections where we get elected. The minister shakes his head. Well, you know, you're not talking to the same farmers that I'm talking to then.

Let me just conclude. Yeah, it's nice that we try to do it, and I'd certainly agree that we try to do as much rural development as we can in small towns. But there are towns, and then there are really small towns. There's a very big difference between a place like Wainwright or St. Paul and a place like where I grew up, a place called Delia, and the rest of it. It's changing. I'm saying that we can do all the world development we want, but if we don't get a handle on the agriculture problem, if the farms keep getting bigger and bigger, all that will be left will be collective farms and corporate farms – I'm not saying that we're there yet – and the rural way of life down the way will be dead. Now, we can argue about how we go about doing that, but I tell you, there's a deep concern, when I go around rural Alberta, about their future, and I think the minister is well aware of that.

So I'm probably close to my time. [Mr. Martin's speaking time expired] Hey, how's that? Perfect. Thank you, Mr. Chair.

4:00

The Chair: The hon. minister.

Mr. Horner: Thank you, Mr. Chairman. Where to begin? I would love to begin at the end with the Canadian Wheat Board, but I'm going to save that.

The hon. member mentioned the difference in the budget in industry development funding levels, the drop. In the last quarter of last year's budget we did put out \$7.1 million in the beef product and development program, \$7 million for precommercialization for specific risk material, the SRM material. We want to find new homes for that, new products, and perhaps add some value to something that used to have value that no longer has value. So we committed some dollars for that.

We also put out some dollars for the other ruminants. You know, we talk a lot about BSE, we talk a lot about beef in agriculture these days, but our industry is everything from fish farming to poultry to turkeys to, as I mentioned earlier, goats to California. So we did also announce a program of not only a per-head payment on other ruminants, which I believe the feds have finally contributed their portion to, but we seem to have to put our money out there to shame them to do that every once in a while, as we did on the \$30 million. They came to the table on that. The \$17 million drop that you see was actually because it was added in in this calendar year but in the last quarter of the last budget, so there was no necessity to put that in. We want to make sure that those programs are off and running and going before we do some difference there. So I hope that answers the hon. member's question in that regard.

With regard to the crop insurance, you know, as long as I've been in the cereals industry, we've had issues with crop insurance in terms of how we do the adjustments. We have some very dedicated folks out in the country that are going out there and doing the adjustments and trying to be fair, trying to do the right thing for the producers, and sometimes one producer may not agree with what the adjuster is saying.

The idea that one bad year in five is going to put you into that one bad year category: I think I'd like to get a little more information from that particular producer that you talked to because I think there are maybe some facts there that we're missing. As you know and are aware, as MLAs we sometimes get one side but not the other side, and maybe there's a little more information there. So I'd really be interested if the hon. member would like to get that gentleman to come talk to me. I'm sure we could probably help him out in that regard.

We did a number of things, though, this year with crop insurance. I mentioned briefly the spring price endorsement with the revenue

insurance component. We dropped the producer cost of that to 40 per cent. Now, there are a number of areas in the province where producers don't take the spring price endorsement or the spring price endorsement as set by the actuarials. This leads to a question that the hon. Member for Edmonton-Gold Bar had talked about: how do we set these things?

Well, you know, we do the best we can in terms of forecasting. The third-party insurance that comes with this does the best to figure out what the premiums are going to be, what the actuarial costs will be. Then setting those dollars and those targets for those dollars in the spring price endorsement becomes a bit of a crystal ball type issue. But for the producers who look at the spring price endorsement, do the calculations, they may find that there's a huge benefit there or a huge comfort there for them to take that particular piece of insurance.

In terms of the principal insurance or the basic crop insurance, some of the other things that we did this spring, the hon. member will remember that last year we had a fairly significant number of snowed-under crops up in the north country and in some other areas. We've made some adjustments as to how we were paying out on those snowed-under crops. Again, the intent was to get some dollars into those producers' hands so that they have some hope that this spring they can put a crop in, that they can cover some of the high input costs that we're experiencing right now, that they can actually take off that crop in whatever shape it may be. We're experiencing some difficulties with some wildlife damage up there in the north country right now that we're trying to address. Certainly, the Member for Dunvegan-Central Peace has talked to me about that as well as from Peace River. I think there are some things we may be able to do on that basis.

The other comment that I caught from the hon. member was per-acre funding, the per-acre funding in terms of an ad hoc payment. I wanted to just touch on this idea of ad hoc payments. The billion dollars that was recently put out by the federal government, albeit welcome news – we do welcome the federal government's contribution whenever they would like to send some money our way to our producers' hands. Even with that, as I mentioned earlier, we're still at a 2 to 1 to them in terms of putting dollars in producers' pockets. It was kind of on an ad hoc basis. I was given very, very short notice, as were the other ministers of agriculture across Canada. One can imagine the joy that they felt at waking up in the morning to an announcement that they knew nothing about, and I think it was expressed in a press release that went out shortly thereafter.

I think ad hoc payments are the way of the past. They're not the way of the future. What we need to do is develop a program, a risk management program for our producers to do exactly what the hon. member is talking about. Let's make the family farm, however big that family farm may be, as sustainable in the long term as we possibly can.

I guess that when you talk about the 80 per cent crop insurance coverage, there is a deductible amount there that we want to maintain. There are other things around crop insurance. The hon. member talked about small farm versus large farm per-acre payments. That's why we are so keen on CAIS. CAIS has to be the backstop for every producer in the province. It has to be the thing that is going to cover you whether you're an elk rancher, whether you're a hog producer, whether you're a poultry guy, whether you're in canola or flax or wheat or barley. It doesn't matter. What we want to get to is a point in time when we have a program that is risk management based, that the producer is participating in, that he sees the value in the program, and that all of the producers in this province, all 54,000 farm units, are involved in CAIS. That's their backstop. That's what they need to have the comfort in that they can be around next year.

That kind of leads me into the next comment that the hon. member made: where are we going with CAIS? There are four issues with CAIS that we have heard and that I know hon. members of this House have heard as well. One is the complexity of CAIS: the complexity of the application, the complexity of the program as it was developed. Another issue is the inventory, the valuations, how that's managed, how it's taken through the application process. The third thing is – and the hon. member mentioned it – the five-year rolling average. When you had four bad years, you just rolled your average down to a nonproductive or nonviable situation. So how do we address that? Quite frankly, the fourth issue that we have to address – the member asked if we had met as ministers of agriculture across Canada, and the answer is yes – pertains to that, and that's sustainability of the program, affordability.

In Alberta we're blessed in the sense that we have the ability to cover our 40 per cent of what have been some fairly dramatic years. I mentioned the dollars. You know, we've been able to push those out through CAIS. I mentioned the dollars that we've pushed out most recently. In other provinces they are not so blessed, and they are having a great deal of difficulty given the fact that not only Alberta, but Saskatchewan, Manitoba, British Columbia have all had four disastrous years. CAIS was not exactly set up to be a disaster program. It was set up to be a farm risk management program.

What we have done in Alberta is we are leading the charge, so to speak, in terms of talking to the other provinces and suggesting some solutions to these. We've had consultations with the industry. We are currently setting up a consultation with industry again, with the industry groups. The hon. member may recall that I had an industry group round-table in January. We had some 38 or so industry associations from around the province, as I said, everything from the fish farmers to the canola growers. It was an extremely worthwhile and productive session, that gave us some ideas as to where to go outside of the cloud of BSE.

We're bringing that group back together again, and we're going to present to them our ideas as to how we see that we can make CAIS less complex, that we can make it affordable in the long term, that we can make it responsive to the producers' needs, that we can have a disaster component to it that will allow for these perfect storm years like we've had and thereby keep that reference margin in a reasonable manner that will be a backstop to every producer in the province that he can count on. We believe that we'll be able to do that and present that to the other ministers this July.

We are fortunate that Alberta is hosting the federal/provincial/territorial ministers' meetings in July of this year. The timing is very, very good. We have a great staff, as I've said before, that has been working on this for the last three or four months, and I think we've made excellent headway. We've had some very good input from some producer groups so far. We're going to be, as I said, bringing it forward and making sure that we involve the industry in what we're doing, although I think the industry is already there, hon. member. I think they have already come forward with some ideas, that we're all kind of on the same page right now.

4:10

Certainly, in terms of the 9,000 claims, I'll get maybe a little bit to some of the specifics. There were 9,000 claims that were of a smaller dollar value. When I say smaller, we're probably talking about under \$50,000, which is no small change. There were a lot of them there that we needed to get out quickly, so we did. There are some that will still require some extra information.

Talking about the complexity of the program: if you've had a farm operation that has grown three times in the last six years and you're

trying to develop a program to try to give a risk management backstop for that type of an operation, how do you take into account that the farm has grown three times in six years? How do you manage the tax information, the revenue information, and all those other sorts of things? There has to be a certain amount of complexity in whatever program you're going to develop.

After all, we are talking about 54,000 small businesses in this province. Some of them are large businesses, but for the most part they're small businesses. We have to educate our producer groups that they need to look at it as a small business in a lot of ways because that will fit in with the complexity or with the risk management decisions that they have to make. Most of them, Mr. Chairman, are very, very knowledgeable about their business. They're very, very knowledgeable about the marketing of their product. They're very, very knowledgeable about how to produce probably the best product in the world.

The hon. member talked about intervenor status and the Conservative caucus applying for intervenor status. I did receive a letter from the Alberta Alliance Party. I believe it was from their Justice critic, as I recall. One of the things that the letter said was that the Alberta Beef Producers and I think it was the CCA have all applied for intervenor status, and why aren't we? That's wrong. It's just blatantly wrong.

The ABP has filed an amicus brief, and we are supplying information to that amicus brief. We are working with the Alberta Beef Producers very, very closely. I meet with them probably at least every two weeks, if not at least once a month, dependent upon what's going on. As a matter of fact, we called an emergency meeting before the red meat reception to discuss the set-aside program, as we talked about. We wanted to encourage them to be a little more aggressive. That's part of the industry consultation that we do along with the Canadian Cattlemen's Association. Dennis Laycraft and Darcy Davis and I have each other's cell numbers on our BlackBerrys and call each other fairly often.

It's important to note that the intervenor status in Judge Cebull's courtroom is about as relevant as the ruling that he gave us on March 2. He's not going to give anybody that he doesn't want to intervenor status. He's just not. He's probably written the most prejudicial judicial ruling that I've seen ever, and a number of my colleagues who are in the legal profession look at it and shake their heads.

That tells me that our chances of success are not in his courtroom. Our chances of success are in the appeal court, where we can win an appeal and lift that injunction and show him, by way of an appeal court, that he made an error in his judgment. That's where, hon. member, we're going to put our resources because that's where we can win, and I think others in the industry – ABP, CCA, the National Cattlemen's Beef Association, the American Meat Institute, all of those industry allies that we have – would agree with that.

You mentioned, hon. member, politics. There's good politics and there's bad politics. My concern would be: how would it be viewed, a foreign government becoming involved as an intervenor in that courtroom? Certainly, by Judge Cebull it would be viewed very, very negatively, and I think that was the general consensus that we came to in our discussions with industry. Has the Conservative caucus or the Conservative group that is pushing ahead talked to the CCA and ABP about this? I don't know. I've not had discussions with them on that regard. Is there something that I would say that they shouldn't do? No. I look for all the help anywhere that it comes. But I think that from our perspective, working as a team with our Alberta industry, it's not something that we were asked to do, nor is it something that we think would have positive benefits.

Slaughter capacity, profitability of slaughter plants. You mentioned that this should be a wake-up call on market dependence. I

agree a hundred per cent with the hon. member on that remark and have used it numerous times in my discussions with other industries: take a look at your market dependency. I mentioned at the outset, when I was responding to the hon. Member for Edmonton-Gold Bar, the example of having only Safeway as your customer. If you have a market dependency on one client, I hope your relationship with that client is extremely close.

It behooves every business, regardless of what industry they're in, to ensure that they have a backup plan or that they have a diversity of market choice to be able to survive in the event – it could be something as catastrophic as a border closure. It could be something as catastrophic as your largest client going bankrupt. There are numerous things that can happen when you're in industry or when you're in business.

The 100 per cent testing question. The hon. member may or may not have heard my comments with respect to 100 per cent testing. I'm going to try to get this out in the short time that I have, which means that I'm going to have to come back to you on the CWB and a few other things. On 100 per cent testing I have yet to have a government confirm to us that if we do 100 per cent testing, they will open their market to our product, full stop. I have yet to see a letter from a customer that says that regardless of what their government says, they will buy product that is 100 per cent tested, full stop. Not seen it.

The other thing that has to be considered, and many marketing experts probably are looking at this more closely than some of the proponents of a slaughter plant, is that there is a potential here to damage the marketability of product here at home by a perception – as the hon. member mentioned, perception is very important – that our beef is somehow not safe. There are, certainly, discussions in the Alberta beef producers' circles and the Canadian cattlemen's circles that we have to be very, very, very careful about the risk of ruining our own market based on a perception that it's not safe because we say that another country says that it's not safe, and therefore we must 100 per cent test.

I think it's an important point that if you can find a country that'll open, in writing, if we 100 per cent test, if you can find a customer that's willing to buy regardless of what their country of origin or country of destination says, if you can satisfy your domestic market with, "Don't worry; we don't test yours, but we're testing theirs just for market access," and you don't lose demand on this side, then, hon. member, I probably would support that, but none of those conditions have been met.

The other thing I'll say very, very quickly on beef packing plants, and I've said it before a number of times. If a beef packing plant comes to me and says, "We are going to have the greatest product, that nobody else can do, we can do it better, we're going to have a hundred per cent organic, and we're going to have all of these other things" – any idiot can build a slaughter plant. It's not a hard thing to do. It's not a hard thing to write a cheque and have an engineer or somebody come in and build you a plant. It's what you do after that that is going to gauge whether you're successful or whether you're going to go down the tubes in a hurry. If you do not have a client or a market that's already identified that you will have easy access to, you're going to have two years of total problems because you're going to have a whole bunch of beef backing up, or you're going to have a whole bunch of cash-flow problems, with working capital tied up because you won't have the marketplace.

It's very important, it's very critical that that happen. Many of the business plans that I have seen in the last five months – it's hard to believe I've only been doing this for five months – have lacked severely in their marketing effort on the business plan side of it. Of the 30 some odd proposals that were on my desk in January, my

guess is that they're probably down to about 10 that have a serious chance to move forward. If they have the market, if they have the location, if they have the material supply and access to that supply, if they have the working capital, they're probably going to be a business that anyone will finance or anyone will buy into. It isn't a matter of me making that decision; it's a matter of the marketplace making that decision. Hon. member, if they don't have customers, they're not going to sell anything, and I'm not going to wear that. I've been very, very up front with many of these processors who have come to the government to talk to us about those sorts of things.

Peace Country Tender Beef Co-op. I've never said no to meeting with them. They think they can get a marketplace . . . [Mr. Horner's speaking time expired] Well, I can add to that later.

4:20

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

Mr. Hinman: Thank you, Mr. Chairman. Certainly an engaging discussion this afternoon, and as the minister said: where to start? Whether we keep going on BSE, I'm not sure. I'll probably just hit a few subjects, and then we'll go back so that I don't miss any and run out of time at the end.

Just a short, quick start on irrigation. I'm not sure – and I didn't have my research team because I haven't got enough funding yet for one – but we used to have the policy that 25 years had to pass before you could upgrade a canal or something that had received funding from the province. Technology has really jumped ahead a long ways, and there are irrigation districts that want to rehabilitate different facilities that aren't as efficient as they should be, but because they've been inside this 25-year period, they don't qualify. I think that's an area that we really need to readdress because water, as your side has said so many times, is blue gold, is valuable, and technology now allows us to upgrade and put in these pipelines that 25 years ago just weren't feasible. So I'd appreciate it if the minister would look into that and perhaps be a little bit more lax on these irrigation districts that want to upgrade different legs of their irrigation to the newer technology.

I also want to urge them to continue pushing hard to store more water. It's an area that's very critical.

I want to touch on crop insurance for just a few minutes, and maybe I'll start with the spring price endorsement program. From those producers that I've talked to – we're at a very low period right now on the pricing of our commodity – most of them see that as, you know: what are the chances of it going down another 20 per cent and getting a payout? Perhaps the government would look at putting a price reduction or a coverage in another area that would truly help the producers where they need to buy the coverage. Yet there is no ad hoc program to help them on the bare purchase of the insurance, only on the price endorsement. I've had a few that are concerned about that.

It's been mentioned by the minister, for both Dunvegan and Peace River – and I'll also reiterate it – that fecal contamination from the wildlife is a problem. I hope and urge you to continue to try and come up with an answer for that.

Also, the amount of crop that has been snowed under. We still seem to have the policy that until it's processed in the spring, we're not going to do anything. We have enough of a track record that we should be able to at least give a 50 per cent payout or something to assist these farmers that have got a double whammy by not being able to get their products in. [interjection] Super.

Another complaint that I've received, especially from the start-up farmers, is that you have to have a track record to get full payment

in crop insurance. Another problem that they have is that it seems like every time a program comes out, it's based differently – on who owns the land, on who's renting the land – and it's always changing. If we had a system and a policy that was in place, whether it was saying that the money always goes to the landowner, then the renters could always put it in their contract that any money received by the landowner would go through to the renter.

Because the programs always change, the renters are changing to try and think: well, last time it was given out on this basis, so we'll put that in our contract. Then the next time it's switched to something else. Rather than the landowner, it might be the renter, and it's always flip-flopping back and forth. Very difficult to know how it's coming out. I'd urge the government to have a set program, whether it's on land ownership or whatever it is, so that the renting farmers and those that are taking over from their elders, who are maybe stepping to the side, know how it's going to be implemented every time and put it into their contracts. They always seem to get missed when the supplement money comes out.

Just to touch on CAIS for a few minutes. You referred to a few things, and complexity is definitely a problem, but two other ones I've come across. In the purebred industry advertising is a huge part of their costs, and especially in tough times like this, how do they get the message out, especially when that cost, which sometimes is one of their biggest expenses as a purebred breeder, isn't allowed in the CAIS program? It's very difficult for them to work on that.

Another one is major capital costs. In farming today the price of a combine is \$200,000, \$300,000. When something happens or they need to upgrade, it's a huge cost. Yet, again, that's not taken into CAIS. It's over too long a period of time. It can really affect their bottom line, so we need to look at capital costs.

I guess the other thing that I'd urge on that is that with the \$300 million that has finally come out, that's great, but we've got to come up with a better program somehow so that it doesn't take 18 months to get out to these producers. No business can stay in business waiting 18 months for their insurance money or their support, if you want to call it that. It's brutal on an industry that's already been devastated because of problems. We need to be able to address it quicker and to facilitate those farmers in getting out there.

I'm sorry that the minister didn't get to address the Wheat Board for a few minutes. I was looking forward to that.

Mr. Horner: I'm coming to that.

Mr. Hinman: Well, I wanted to hear your response so I could adjust. [interjection] Well, I've got to bring up different points, you know, get him steered in the right direction: to the left, to the right, from the right to the left. We've got to steer him down the road.

Choice of marketing has been a problem in western Canada since the Wheat Board was implemented. For those who are wondering about the implementation, it came in in the '30s. I guess it was earlier. Because there were no markets available, it did serve a purpose. It was originally supposed to have a five-year grandfather clause. I think that any time programs come in, we need to put in grandfather clauses so that they don't become permanent. Programs are not the answer to supporting our industries, but when we're hit and we're devastated, like with BSE, perhaps a grandfather clause to get us through is an important thing.

The Wheat Board is very damaging to value-added products. We've got to do something. If in no other area, we have to fight . . . [interjection] He's a very small minority.

Mr. Martin: Not in northern Alberta.

Mr. Hinman: Well, the choice is what's important.

When it comes to value-added products, that's one area where we surely can stand up to Ottawa and get value-added products taken out of the Wheat Board and allow some innovation and some farm corporations, small entities to get up and process their product and be able to move it out. So I'd urge that that's one area we can certainly fight on and put a mandate out to the farmers that choice is very important. I was very pleased to hear that Saskatchewan today ruled in favour of those farmers. It was a sad day when we jailed our own farmers. We might as well be in Russia, jailing farmers for wanting to sell their produce.

Switching over, I guess we'll start talking a little bit about BSE. There's no question that the bottleneck is the packing industry. We can make all of the other comments we want on whether we have foreign markets, what the standards are, or anything else. The bottleneck and the problem is the packing plants. We need to address that. Those packing plants have been brutal on the producers. They've taken every dollar, practically, that the governments have put out straight into their pocket by price reduction. As soon as the money is put out there, we see the dollar drop on what they'll bid every time. The government has got to step in and do something about that, but I don't know how you do it because we've got two years of billions of dollars being sucked out of the industry to the profitability of these major foreign corporations, that have benefited the best or the most from that.

I'm very, very concerned – and so are many of the producers I've talked to – about waiting for the border to open. They have chronic wasting disease down in the States in their wildlife. We all know and the world knows that if that's there, BSE has got to be there. Because they've been covering up for so long and they're so good at it, it doesn't mean that it's going to continue. The people that I've talked to are very concerned that the day the border will open, it will be because the U.S. is ready to announce that they have BSE, and we're going to be locked into a market that we can't export to.

I would really encourage this government, when they talk about developing new product processing and servicing and facilitating capital investment and developing networks and facilitating market access, to take that \$30 million – and I'd like to know where that's going to and what we're doing because we don't have packing plants, to my understanding. Those U.S. packing plants know where they want to market the beef, so what other markets are we looking at when we don't even have packing plants that are willing to sell there? I'd like a better understanding of what that might entail, what markets and access we're looking for when we don't have our own packing plants to direct in those areas. Anyway, if we don't have our own packing plants, we're going to be hooped again in part of a system that we can't get out of, and that's a deep concern for the producers that I've talked to and who are looking at that.

4:30

I guess to go on a little bit more about packing plants. In Alberta we're very innovative. We reduce the royalties, the taxes, and we understand the benefit of the capital investment that's going into the oil industry. I don't understand why we haven't been innovative in the farming and specifically in the ranching industry when it comes to this.

Some new ideas that I've heard just in the last few weeks – I guess I'll start with the first one. There are many cattle producers that want to be involved with these co-ops, and they have a great deal of faith that they can make it work. Many times we seem to fall back on the fact that we don't have contracts, we don't have areas that we can sell this beef to, so how could we possibly build these packing plants and possibly lose it? The demand for our beef is here, no

different than the golf courses. There have been many, many golf courses built in the province. Many have gone under, but I don't know of too many that haven't been snapped back up and are still being used. I believe that the packing industry would be the same. If we were to have thrown some money at it, and heaven forbid it was bad money, and the packing plant went under, the facility would still be there.

Many irrigation farmers have four pumps that they need in order to keep their irrigation up during the high-stress period. They buy a fifth pump hoping to never have to use it. I don't think it would be the worst thing in the world for Alberta to have some extra packing facilities here to process the beef. I really believe, because of the new state-of-the-art technology, we could be drawing beef in from the U.S. if, in fact, we were to have the new packing plants, if we were to look at having the value-added, no different than what we're looking at in health care and education. We can be state of the art. We can be the centre and be bringing in and processing other people's raw products rather than saying that we have nowhere to go on it.

I've talked about it in the past, whether you want to call it angel investment or something else. It's time that Alberta stands up to Ottawa and says: enough is enough; we're not going to have you rule on everything that we want to do. Taxes are a major problem that we seem to be constantly fighting. I want to, I guess, jump back to farming and crop insurance. We need to reduce our taxes on the input costs for the grain farmers, the producers, whether that's on the fuel, the fertilizer, the machinery dealers, the production. We need to fight. We understand here in Alberta the benefit of low taxes. We really need to fight in agriculture to reduce those burdensome taxes on our inputs, especially at this time when things are so tough.

We need to do that, though, with the packing facilities. There's got to be ways that we can step forward and allow the capital investment to go into these facilities. It's critical, and if we don't do it, I just don't see a future for the Alberta beef industry if, in fact, we don't have the packing facilities here. It's all about value added. We know it. We understand it. You have your 2010. The best way to reach that is with packing plants. That's the highest return and our biggest industry. We need to put the money there, and I don't think Albertans will be too upset if, in fact, a few hundred million dollars, let alone the billions of dollars, wasn't hit the best on that packing industry.

I've said it before, and I'll say it again: this is a tsunami. It's gone across the province. It's gone across the country. We need to build the facility. It won't be perfect, it's not the best, but we have to do it. We need to do it now. We can't say that the border is going to open in July, and we'll be connected to them. We need the value-added here in Alberta.

Another area where producers are frustrated. We believe in being free enterprise here in Alberta. I've talked to many, many producers that are upset with the check-off price that they get caught on selling their animals. Some animals get a check-off as high as five times before they get to the market. There are many producers that are more upset with the check-off and having to be part of ABP than they are with the Wheat Board at this current time.

I feel that we have to have a volunteer association. This has outgrown itself, like many organizations have. Once they have complete power and control, it's very difficult to break that. A volunteer association would be great, but if we can't have that, then we need to be able to look at directing those fees somewhere – we're getting some actual communications. Yes? No? May be possible? There are many farmers and ranchers that would love to be part of those co-ops, but because of their situation they can't raise the capital. If, in fact, some plants were put up and people could sign

into those co-ops saying, "I want my check-off to go to pay for that" – another head shake, a negative one at that, sorry to say.

They need to have a choice. This iron grip that the ABP has on their check-off is not appreciated industry-wide. They could also put it into a support fund. There needs to be something there other than this \$21 million just going to a group of individuals that have the right to decide how and where it's spent. I realize that the government is very close to them, but not all the producers are as close to the ABP as the government is and would like, I guess, to get rid of that.

Ralph Thrall, a very well-known, profitable rancher, two years ago said that the most important and best thing we could have done was to buy the packing plants when the border was closed. We know that we're not going to do that. Rick Pascal, another prominent feeder, has said: why have we allowed the gouging that has gone on? This government could step in and should step in and put in a minimum base that can be charged or put in there by that packing industry, those foreign owners, and keep the price up closer to that in the States. There has been a huge spread there, and it's not necessary. The profits are there, and this government can and should do something about that in the eyes of many, many producers.

I want to touch a little bit on CFIA and on testing for BSE. Once again, we can say that there are no markets, that there's nothing else. If, in fact, there was the freedom – for example, the new generation processing plant in Pincher Creek that sent in their plant plans to CFIA with a lab on site and were told no. For a small fee of \$240,000 – and I can't remember the name of the company; I forgot to bring it up here – they can have a testing lab that can test and have the results within eight hours and costs \$19 a test. I believe in free enterprise. If someone wants to make that part of their business plan and go to Japan or somewhere else, why does the government stand in and say, "No, we're not going to allow you to do it"?

I understand that we don't want to pass and say that there's not going to be 100 per cent testing. I agree with that. But a group that wants to start a packing plant and are looking for an industry, to say, "No, you can't do it" I believe is very wrong. The technology is there. Japan, Europe, they recognize those areas. We need to allow them to get into that.

We're going to run out of time here, I see. Another area I want to touch quickly on is inventory adjustment for BSE feedlots and farmers and whatnot. During the drought, that was allowed. We need to lobby the federal government. We've got to change this draconian tax system on inventory. We need to protect them. If they can afford to buy for one or two years, they shouldn't be hit with owners' taxes saying, "Oh, no. You've got to pay up on that inventory" when, in fact, they need to be able to get back in in a couple of years. It's very damaging, and it isn't doing our industry any good.

The technology in the packing industry is phenomenal in Australia and over in Europe. We need to change our attitude. We still think like in the 1960s with computers. Only the biggest corporations even looked at computers and said: it's the only way we can compete. Technology in the world is changing greatly, and we need to be able to keep pace with it. Small packing plants can and will be competitive if, in fact, we'll let them in. The walls they have to climb and the red tape and CFIA have been very damaging to them, and the tax incentives also have not been there for those small packing plants. They can and they will be effective if we'll let them come here.

Somehow we've got to pull in our horns and say: "You know, this is a disaster. We don't have the answer, but we need Alberta-owned packing plants for the benefit of those people." Like the small computers that we use today, we can accomplish it. There's the hot

deboning process that's coming along. There's the instant freezing. There are many, many things that are coming through. They're processing and having them cryovaced into those cookable containers.

I'm running out of time, so I'm rushing along here. There are many areas that we can and should address. I wish that we'd be more innovative and look at the ideas that the small farmers are putting forward. They can and will be successful, but we need to put them forward.

Well, I guess I'm out of time.

4:40

The Chair: The hon. minister.

Mr. Horner: Well, thank you, Mr. Chairman. The first thing that I'd like to talk about is the irrigation and this 25-year rule which the hon. member will probably be very pleased to know no longer applies. Working with the Irrigation Council and the 13 irrigation districts, they're the ones that set the priorities as to whether those things are going to go. They've been working very, very well together. They are setting those programs. I'm really, really pleased that we've been able to add \$3 million in this budget to augment and bring it up to \$22 million so that we can have some innovative uses and some upgrades of the water use.

I'd like to applaud, actually, the irrigation districts for the environmental stewardship which they've shown, for the ability to recover or not lose the water to evaporation. As I understand it, over the years they've become almost 40 per cent more efficient, if not more. I think it's something that, you know, as you mentioned, we call the blue gold in Alberta and that we hold very, very dearly. As part of the Water for Life strategy, obviously agriculture is going to be playing a key role in that.

I would hope that you're pleased to hear that that 25-year rule no longer applies. I'm not sure when you were talking to those folks, but it has been a while, so you may want to get back and talk to them.

You mentioned, just going through here, an ad hoc program on the premium for crop insurance. You know, I kind of go back to what I was talking about with ad hoc programs. I don't like them. I think we have the ability and the skills across this country to come up with a program that works. It's going to take us some time to get there because, obviously, we're creating something from scratch here, or it's an amalgamation of other programs that we thought would work, so we threw them together. But remember, this is a national program. You've got all ten provinces, all the territories are involved in this, so you need to have the agreement of all those provinces whenever you're going to change something for the signatories because you want the feds to be on side. You want the dollars that they're going to have to commit to this. In fact, I'm going to be asking them to commit in a very substantial way on the disaster component.

You mentioned, too, about why did we go with the spring price endorsement. I asked the federal government to participate in what we were doing, and I asked them pointedly, that a reduction in crop insurance across the board would have more effect on our producers' input costs and their income and their risk management than anything else that they could possibly do. I asked them to participate with us, if they were going to come forward with more dollars in our basis program, in the set-aside program.

You mentioned a little bit later on in your comments about some of the tax systems. I don't quite get the angel investor part, but I'll leave that for another day. You talked about reducing taxes on the inputs, the farm fuel. We do that in Alberta. We rebate farm fuel.

We have the farm fuel rebate. It's \$33 million. It's in the budget. It's a line item, \$33,500,000. I asked the federal government to participate in that. What did I get? I got a phone call at 7 o'clock on Monday telling me that they were spreading a billion dollars out to the wind Tuesday morning. I think they'd have been far better served to have a little more consultation with the rest of us and say: here's a better idea, something that works. So we're going to continue to push on that side. We're going to continue to talk to them about working co-operatively with us as we do with the industry to come up with better ideas, better ways to manage the dollars that they are, I think, obligated to put in our producers' hands.

Under the snowed-under part, we have increased, actually. The payment has gone from 50 per cent to 75 per cent, I believe, on the snowed-under crops in the Peace district. Certainly, there are issues there, as I mentioned before, about, you know, crop adjusters going up there, as you're going to have with any type of insurance. You're always going to have those individual issues, and we try to address them one-on-one. Certainly, any of the colleagues here in the Legislature are more than welcome to bring the individual concerns to my attention, and I will bring it to the attention of the appropriate personnel in AFSC.

With regard to the rental land issue that you brought up, I believe it was that when we kicked out a payment, sometimes that payment didn't go to the guy that was actually doing the farming. We've kind of rectified that now. Again, that mostly applies to the ad hoc situation, which this minister doesn't want to do, so I'm hopeful that we're not going to be having that situation.

You talked a little bit about CAIS and the qualified expenses and capital costs. I talked a little earlier in my comments about how we are doing a step-by-step process of not only consultation but revamping, trying to put some new ideas out there on CAIS. One of the things that we are doing is bringing together a group of farm accounting personnel to sit down with our staff at AFSC and our policy secretariat folks in the department and talk about the complexity of the application, talk about inventory management, talk about what would make more sense from a small business perspective. Farm accountants, the guys that have been doing this, the guys that have been phoning, the guys that have been saying that there's got to be a better way: those are the fellows that will be sitting around a table within weeks so that we can fine-tune what we're going to present to the industry in our round-tables when we put those together as well.

So we are looking at all of those things. But, again, CAIS is under the ag policy framework, which is under the national program, and it's important that it stays there because that's a 60-40 funding split. Even with that 60-40 funding split, because of the amount of dollars that we're kicking out in CAIS, there are a number of provinces that are having huge, huge issues with trying to make up even their 40 per cent.

You talked about the timing on the 18 months. I agree wholeheartedly. Again, that's part of the whole process of the review of CAIS. We've probably done it faster than a lot of other provinces have done it with some of the more complex CAIS applications.

One of the other questions that came up earlier – and I believe it was Edmonton-Gold Bar that brought it up – was about what it costs us to do a CAIS application. It's roughly around 700 bucks, more or less, which is about half the cost of what the federally administered provinces are running at right now. Obviously, this is the first year, two years, 18 months that we've been doing CAIS, so we're going to get some finer numbers, and we started from scratch here. You have to remember that you're starting from scratch. As we get better and as the farmers get better with the applications and the

information and you get the history and things start to move down the road, this will become a very simple process for most producers as they get down the road and we all become more familiar with what is required and what we require from the producers' side. I think that answers those.

The other issue, then, was that the hon. member talked about the bottleneck being the packing plants. I don't know that I would agree that the bottleneck is the packing plants because the majority of the packing plants by agreement are running six days a week. That puts tremendous stress on the staff, on the personnel, on the equipment, on all of the things that they need to do. They're doing that because we need them to continue to kill so that the whole set-aside program works.

You mentioned that your feeling was that they had a case of BSE and that they're simply hiding it. Well, you know, I'm not going to say whether I believe that to be true or not. The important part for us is that we're not waiting for anything like that to happen. What we're doing is we're following through on our six-point recovery plan and restructuring plan. We're following through on the court cases to make sure that the court side of this thing is taken care of because the industry side of it is open to us. They want us to be able to ship product across the border, and they want us to import products up here, which we will probably end up doing once our slaughter capacity gets to where I think it's going to be within the next 12 to 18 months.

We won't be locked into anything. One of the things that the United States government has done – and this is very important for all members to note – is that prior to us getting BSE, our rules said that we would not accept beef from any country that had any case of BSE for a long period of time. Closed door. The United States had the same rule. So had it happened there first, would we have gone to the world community and said: "Hey, look. This is stupid. We should create a new rule that is the minimal risk rule that the world can adopt"? Would we have done that? I don't know. But that's what the U.S. has done. The U.S. has essentially created a new ruling that the world will hopefully follow and is following that creates a new category of minimal risk. They did that for us. Now, obviously they did it in the event that they get a case too, but I think we have to recognize what they have done as opposed to what perhaps some might think they haven't done.

4:50

The \$30 million in marketing funds is actually \$30 million provided to the Canadian Beef Export Federation for I believe it's called the legacy program, which will be a 10-year program. The federal government has also contributed \$55 million to that 10-year program, and as much as the hon. member may not like the Alberta Beef Producers, they are, through the Canadian Cattlemen's Association, also contributing to this program.

The gist of the program is to reduce our market dependency on the United States. Their target is to go from 76 per cent to 50 per cent. Hon. member, I think it's dollars well spent if we can achieve that 50 per cent because that means that we've diversified our markets in the world, and I think that's very, very important.

So we're not saying that we don't have anywhere to go, as the hon. member said. We're saying that we've got a ton of places that we need to go, and we're putting the resources and the horses behind it to do it in co-operation and integration with the industry.

The hon. member also mentioned – and I'm just looking at some of the other comments – that more producers are upset with the Alberta Beef Producers than the Wheat Board. I would challenge that assertion, and I would suggest to you that it is totally false. I have yet to have a phone call from a producer telling me that he

wants to get out of the Alberta Beef Producers. I have had numerous calls telling me that had the Alberta Beef Producers not been there, had they not been working in collaboration with us, had they not established the programs and the BSE recovery and the six-point plan working in collaboration with us, we probably would not have an industry in this province today after May of 2003.

They have been, I think, a very good advocate. Obviously, there are people in any organization who disagree with what that organization might be doing, but I think I would take from the majority of producers who are in the industry that they are doing what they need to do. I do not hear the type of angst that the hon. member is referring to. I think they've done quite well.

The hon. member mentioned a potential plant that might want to go and spend \$250,000 on a BSE testing laboratory and put it in their plant. I think I know the company that he's referring to or the project that he's referring to. I've met with these folks. In fact, we are talking to CFIA to actually prove the point that Japan would open their market if you 100 per cent test it. I have said this to producer groups around the province: I don't think that Japan at this point in time would open their market to anybody, regardless of what they did, until they've figured out the politics between themselves, the Americans, and us. It is not a point of food safety. It is not a point of whether you test or not test. As the hon. member previously said, this is a political discussion, and it's a political issue, and it's a trade issue. It's a trade issue between Japan and the United States. It's a trade issue between the United States and Canada and Canada and Japan. That gets very, very complicated.

I think we have a much better opportunity here, hon. members, not to use 100 per cent testing for market access but to use age verification for access. We have an opportunity in this province because of the CCIA tagging and the RFID tags, that will be mandatory in 2006, and the platform that they have developed. We can be the only jurisdiction in North America to 100 per cent age-verify all of the beef in our province.

We are working to that direction because, hon. members, I see that as opening up more markets to us than 100 per cent testing because the Japanese even want to move away from 100 per cent testing. How is it going to be that they're going to say yes to 100 per cent testing on imports and then try to explain to their own domestic customers, "We want to move away from 100 per cent testing"? It's not going to work. Age verification will work, and that's the direction that I think we need to go, and our department is going to work towards that.

The hon. member talked about a tax system on inventory from the feds. I agree. I wish they would listen to some of our ideas too.

Technology in the world; small plants have too many walls to get in. I would challenge that assertion as well, hon. member. Again I go back to this. If you have a customer, if you have a need that you're going to fill that that customer is willing to spend money on, you will build a plant, you will produce that product, and you will probably be prosperous. If you have an idea for a plant and you have no idea who might want the product from that plant, you're going to have problems.

I would suggest to you that many businesses fail in the industry. The number used to be that 80 per cent of business start-ups failed within the first five years. Many times that's because they had a great idea, but they didn't have the rest of the package. All of these proposals have to have the whole package or, quite frankly, I'm not really keen on risking taxpayer dollars. We do that through AFSC. If AFSC approves it through their credit, due diligence, they're the entity that may or may not do it. I'm just not keen to do it on the basis of "I've got a great idea" or "I've got a new technology that nobody's ever seen before; I have no idea if they'll buy it." I'm just not keen to do it on that basis.

I think I've covered most of the points from the hon. Member for Cardston-Taber-Warner. I'm going to go back now to some of the other points.

Rural development. In the cross-ministry initiatives that we were doing, there was some talk with regard to, actually, the high school in Sangudo. My wife went to the high school in Sangudo and is from that area, so I have some knowledge of that area.

An Hon. Member: I hear that they have a good MLA.

Mr. Horner: I understand that they have an excellent MLA, yes.

I guess that the point I was going to go with, hon. members, was that the rural development strategy is working on cross-ministry initiatives, and the cross-ministry initiatives tie in all aspects of rural life. They tie in health care. They tie in education. They tie in infrastructure. They tie in all of these things. The Rural Development Strategy Task Force has only recently been organized. I would encourage the hon. member to look at the report that was produced and the recommendations that came from it.

The task force's primary role at this point in time is to advise us as to how we might implement those strategies and those concepts that are in the report. It's made up of Albertans. The AAMD and C and the AMA have representation on the task force. I think they're very, very excited about the direction that they're taking. They're very excited about some of the recommendations that they believe they can have some input on and some impact, most notably the impact, Mr. Chairman.

We were also talking about the Peace Country Tender Beef Co-op and the idea: why are we not helping them? We've never really been asked to help them. To the degree that I've never said no to meeting with them, I would welcome them to come and talk to me about it. To my knowledge they've not made any approach to Ag Financial Services Corporation, which is the vehicle we would use to help them financially if their business plan was one that warranted that kind of support. I don't quite understand what the issue might be there, so I would encourage them to give me a call if they believe that they have a business plan which would be worth AFSC having a look at.

The other thing that was brought up was the Canadian Wheat Board and perhaps some of the issues surrounding our marketing choice campaign. I wanted to first of all start by saying that it is not the intent of this government nor this minister to dismantle the Canadian Wheat Board. Far from it. It is the intent of this government and this minister to let them live up to what they're telling us they are, which is a fine organization that's willing and able to do wonderful things for producers. I believe that in a competitive marketplace they would do just that. I think we should give them the chance to try.

By doing that, we may find that they would be a much better corporate entity than they are a government-funded entity. I think they would probably find that they may be able to be a little more accountable to producers. We believe that accountability is important in this province. I think they might find that the changes that they're making are exactly the types of changes and the path that we want them to head. There are just a few more components that they have to do to make it worth while. Then it will be worth while.

In the way they're doing it right now, hon. member, they're pushing independent grain companies out of business. They're becoming a grain company. They're becoming a grain company outside their mandate to become a grain company. In fact, Mr. Chairman, I have information that they may even actually end up owning assets in a roundabout way, which would be totally outside

of their mandate. You know, again, I believe that they should own assets, but I don't believe that they should have a monopoly.

I believe that the Canadian Wheat Board, if they were to look to Australia as an example – the Australian Wheat Board is still a single-desk export seller, but domestically they have deregulated their industry. They have added value to their value-added industry. They have provided choice. They have provided additional premiums to their producers. They've created an efficiency in their logistics. They have created a . . . [Mr. Horner's speaking time expired] That's it?

5:00

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

Dr. Swann: Thank you, Mr. Chairman. I am pleased to rise to the issues around this review and thank the hon. minister for some of the important comments he's made and his elucidation on some of the issues. I want to be brief and focus particularly on some of the environmental issues associated with the agriculture industry and talk just briefly about some of the challenges I see that have been expressed to some extent already on this side.

Clearly, what I'm hearing from the public and from some constituents has to do with issues around water and sustainability and its management, the issues of encroaching oil and gas activities on agricultural producers and on land and productivity, confined feeding operations and how that affects local municipalities, and their interest in having more influence and control and participation in integrated planning for their communities around confined feeding operations particularly.

I'd be interested in his comments on organic farming and where that's heading in terms of sustainable agricultural management, the renewed and perhaps significant increase in the urban population's interest and access to organic farming produce as a tremendous opportunity.

More specifically, I wanted to ask some questions about game ranching and what that's done in the province, how it's fared in the province, where it's marketed, how sustainable it is, some of the key questions that aren't clear in the budget. It's not clear how much that particular sector spends, it's not clear how much that particular sector earns and raises and, particularly, how much subsidization the agriculture ministry has been giving over the last 20 years to an industry that from the outside doesn't look sustainable.

Indeed, with some of the discussions we've heard about BSE and chronic wasting disease, how is that going to impact in the long term this particular industry? Without fences around our province, without testing for live animals, how can we ensure that we know that the animal population is going to be sustainably healthy and not be part of the propagation of disease, which is so concerning to not only confined feeding operations in the cattle and hog industries but increasingly in the wild animal and game ranching?

Another related issue is to what extent public lands will be used for game ranching, and that's a concern to wildlife people, to fish and game, and tourism issues, how that's going to impact the public lands issue.

So I don't need to take any more time with the questions. I would welcome any and all comments the minister can make around those key issues. Thank you.

Mr. Horner: Well, that was quick. So I guess I can go back to some of the other comments that I was going to make. How much time do I have, Mr. Chairman?

The Chair: Five minutes.

Mr. Horner: Okay. I should have enough time to do both because I did want to talk on a couple of other things on the Canadian Wheat Board.

One of the things that is very, very important to me is that we want to be shippers of value-added products, not shippers of commodities. We have competitors around the world like Brazil, like China, like eastern Europe who are going to be in a position very, very soon to be a much lower-cost producer in terms of a base commodity than we can do here. They're going to be able to do it in a much larger volume than we can do it here, and the quality will be there in a certain period of time. It's important for us to move down that value chain to be able to be competitive in the world marketplace and not be dependent upon a price-taker type of attitude in terms of commodities.

The Canadian Wheat Board was established to do one thing. It was established to ship large volumes of commodity out of this country as fast and at the best possible price that they can do. I think it's time that we moved down the road and cut that umbilical cord that's dragging us down, quite frankly, in terms of the expansion of our value-added and the expansion of the marketing opportunities that it would provide. I think it's important for us to look at our cereals industry in the same way that we would look at our beef industry, in the same way we would look at any other industry. The more buyers you have in the marketplace, the more sellers, the more market access you're going to have, the better off your industry as a whole is going to be.

There was a comparison made about elections in the Canadian Wheat Board and this Legislature. Hon. members, everyone in this Legislature was elected. Not every board member of the Canadian Wheat Board was elected. A third of them were appointed, and I don't think that's very democratic either. Nor is the weighted voting even on the radar screen with them.

I think we need to satisfy the issues that we have with the Canadian Wheat Board, and I think there's a win-win for both sides, and that win-win is to move down the road to something akin to the Australian model, and I believe that we'll be working on that in the weeks and months ahead.

With regard to environmental stewardship of the land, obviously, the hon. member is very, very correct: agriculture plays a key role in environmental stewardship of the land. We are intimately involved with it. Our livelihood depends on it. The message that is out there under the ag policy framework, under all of the other agreements that we have, is that it just makes good business sense to be good stewards of the land because it relates to the other issue that was raised by the hon. member: urban population. We want to be seen as good stewards of the land to the urban population that is all around us and is, indeed, the customer that we're trying to sell to. It certainly makes no sense to have environmental issues come up that make agriculture get a black eye.

This department is working very hard through our technical services division to establish environmental farm plans in the province and establish a protocol, if you will, of how those environmental farm plans are put in place. We have made a very good start in that process. They've done hundreds of environmental farm plans for producers already and are working on doing many, many more.

I would like to see a way that we can create some revenue growth in that issue for on-farm as well, perhaps tie it to this wonderful Kyoto accord, where we'll be able to buy credits of air somewhere. It's terribly disappointing to me to have a Canadian or Alberta company spending money in Chile in a hog operation to buy a credit for something they absolutely don't know whether it's even a valid credit or not. I think it's important that we be able to develop those credits here and that the dollars stay here, and that pays the cost,

hon. member, for what is already a stretched industry, in terms of input costs, to do the right things in terms of environmental stewardship and food safety. The two things go hand in hand.

Agriculture is, I believe, the largest user of surface water in the province, so it's certainly valuable to us, and it's certainly something that we know we have to conserve. We've taken a very large role in the Water for Life strategy, and we'll continue to do so and to be a part of that, to monitor the progress of how that's going to work with environment, have our technical services division working with environment. We need to ensure, as I said, that we're viewed as good stewards of the land so that we can make sure that the urban population is pleasantly surprised about having a value-added agricultural industry move next door to it. That would be the hope, hon. member.

We need to do things like expanding the use of biodigesters. I believe that there is a real opportunity in agriculture in the future to not only add value to on-farm or create a revenue for on-farm but that the manure, the sewage, or the waste material that is created on-farm can be used in, say, a regional biodigester which would create methane and power to put into the grid. Because of deregulation we can do that, and it can be economical in this province. Not so in many other provinces. [interjection] That was just for you, hon. member.

We can create methane gas, which is obviously something that can be used on-farm to fuel many things. In Europe for many years they've been using methane gas converted not only to heat their homes but perhaps to even use as a fuel source for vehicles or whatever. Is that possible in Alberta? I don't know, but our department is looking at it.

We're looking at using waste material to reduce the input costs on the value-added side. We're looking at things that would create more value-added because we would be lowering their input costs, whether that's in the sugar beet industry or the potato industry, to have the value-added proponent, taking that produce with the waste material being another product that the producers can produce for that value-added sector.

The biodigester in the feedlot at Highland Feeders is a good example of what can be done, given the number of animals in that feedlot, the fact that all of that material is going to be turned into water and fertilizer and power.

5:10

Wouldn't it be wonderful if we had a number of those regional-type facilities around the province that perhaps followed the model of the federated gas co-ops or the rural electrical associations, and we created a regional biodigester, environmentally friendly power generators, gas generators. I think there are a lot of things we can do in agriculture to protect the environment, to make us environmentally friendly, and to actually add to the bottom line of the average producer in the province.

Urban population sprawl is an area of concern, and it's certainly a concern when you talk about confined feeding operations. It's an area of concern, quite frankly, when you talk about acreages. The idea that folks that are moving to the country may not be prepared for what they see, hear, or smell, given the fact that they're moving closer to agriculture. But there are some realities to living in the country. There are some realities to what you might see, smell, or hear living in the country, and I think we need to educate our urban population about what goes on on the farm.

That's one of the things that we are going to be doing a lot more in the department: trying to get that education component going between urban Alberta and rural Alberta to talk about what happens. It's something that the rural task force is involved in. It's something

that our department is going to be involved in. It's something that 4-H is involved in on a fairly regular basis. I think it's important that urban and rural Alberta live in harmony.

The Chair: I hate to interrupt the hon. Minister of Agriculture, Food and Rural Development, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 p.m. on Tuesday, Wednesday or Thursday afternoons, I must now put the following question after considering the business plan and proposed estimates for the Department of Agriculture, Food and Rural Development for the fiscal year ending March 31, 2006.

Agreed to:
Expense and Equipment/Inventory Purchases \$649,515,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Mr. Stevens: Mr. Chairman, I'd move that the committee rise and report the vote for Agriculture, Food and Rural Development and seek leave to meet again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2006, for the following department.

Agriculture, Food and Rural Development: expense and equipment/inventory purchases \$649,515,000.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

Mr. Stevens: Mr. Speaker, I'd move that we call it 5:30 and that we adjourn until 8 o'clock this evening, when we'll reconvene in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:15 p.m.]

