

## Legislative Assembly of Alberta

**Title: Tuesday, May 2, 2006**

**8:00 p.m.**

Date: 06/05/02

head:

### Committee of Supply

[Mr. Marz in the chair]

**The Chair:** I'd like to call the Committee of Supply to order. Before I recognize the minister, I'd just like to welcome all the members in the members' gallery from different points around the province that are here for the Forum for Young Albertans. Just for your interest we're in Committee of Supply, and during committee it's a little less formal than the normal proceedings, so you'll see members without jackets on, and they're not necessarily sitting in their own chairs although they have to be in their own seats to be recognized to speak. So that's why we're a little less formal.

head:

### Main Estimates 2006-07

#### International and Intergovernmental Relations

**The Chair:** I will now recognize the Minister of International and Intergovernmental Relations.

**Mr. Mar:** Thank you very much, Mr. Chairman. At the outset I want to say that I'm pleased to move the estimates for the Department of International and Intergovernmental Relations.

In attendance with me this evening, Mr. Chairman, are a number of people from the department, and they are in the members' gallery. They are names that may be familiar to many of you in the House, and I'll ask them to rise and be recognized: Gerry Bourdeau, deputy minister; Carol Chawrun, communications director; Marvin Schneider, executive director, U.S. relations; Garry Pocock, assistant deputy minister; Daryl Hanak, acting Alberta trade representative; Steve Pritchard, executive director of the Smithsonian project; and, finally, Mr. Lorne Harvey, executive director of corporate services.

Mr. Chairman, Canadian mass media guru Marshall McLuhan was right: the world has turned into a global village. The job of my ministry is to help Alberta get along with its neighbours around the world in a way that assures our own economic and social future. We work with our Canadian neighbours to co-ordinate Alberta's role as a partner and share in interprovincial and national partnerships like first ministers' councils, the Council of the Federation, the Western Premiers' Conference, and the annual Alberta/B.C. cabinet meetings, which, of course, were just held last week. My ministry helps Alberta to work with our international neighbours by providing input into federal foreign policies, operating the Alberta office in Washington, pursuing relationships with 14 twinning provinces and states around the world and negotiating more at this time, co-ordinating missions to other countries, and welcoming dignitaries representing a world of opportunity to the province of Alberta.

This ministry is going to continue to raise our profile with our largest trading partner. Our biggest opportunity is Alberta's presence in Washington this summer as we are featured at the Smithsonian Folklife Festival, a festival which over 10 days will expose Alberta to somewhere between 1.2 million and 1.5 million Americans.

The World Trade Organization Ministerial Conference in Hong Kong last December gave Alberta an opportunity to pursue improved and more secure access for Alberta goods and services in global marketplaces.

Now, given the opportunities, the strategic priorities for this ministry that we'll call for this year are quite clear. Relations with

other Canadian governments remain a priority, and Alberta continues to chair the Council of the Federation until July, that is this summer.

Internationally we will work to influence federal foreign policy in areas that are important to Alberta and to enhance our own bilateral relations with other countries through our Premier's missions, incoming delegations, and major events like hosting the Pacific Northwest Economic Region meeting, which will take place in Edmonton this summer.

We will continue to expand Alberta's influence with our largest trading partner through the Alberta Washington office and this year through Alberta at the Smithsonian. Negotiations to expand trade and reduce barriers to trade continue to be a priority this year internationally and within Canada.

Building and maintaining relationships across borders, time zones, cultures, and sensitivities comes at a price but, I should say, Mr. Chairman, not a very big price. The proposed budget for this year for a world of influence and reputation is just \$10.7 million, and this includes a net operating increase of just \$770,000. That this can represent a net increase of 8 per cent underlies just how small the base budget really is. Most of this net increase, \$600,000, covers Alberta's per capita share of the increased cost for operating the Council of the Federation, and the rest meets negotiated salary increases and amortization.

The \$10.7 million in our budget also include \$1 million for the one-time funding to support Alberta at the Smithsonian. That is less than \$1 per person to bring Alberta to the more than 1 million people expected to take part in the festival and to 100 U.S. Senators and 435 members of the House of Representatives and the hundreds of policy and business leaders we're targeting by invitation. That kind of influence cannot be judged by its cost. That one-time \$1 million is added to this year's allocation to our international relations division; however, I stress that this is not an operating increase.

To meet the internal cost pressures, international relations also receives \$100,000 reallocated from the Canadian intergovernmental relations division. The Canadian intergovernmental relations division shows a budget decrease of \$410,000 from 2005-06. This shows the net difference between the \$600,000 added this year for Alberta's increased contribution to the Council of the Federation and the end of one-time funding last year to host the Western Premiers' Conference and the Council of the Federation. This apparent decrease from last year's budget does not represent a cut in the division's operations or services.

The overall budget at my ministry is small compared to other departments, but we are fully committed to openness and accountability for every one of those dollars and to the people of Alberta. All expenses related to international missions are reported in their entirety and posted on the ministry's website within two months of the mission's conclusion. We weigh the cost of every event and expense against the benefits to the province, always cognizant of the fact that each contact and negotiation leaves an impression on people as well as on paper and positive attitudes help build beneficial agreements.

We can point to agreements and initiatives that resulted and will result in measurable savings to Albertans. We just signed an internal trade agreement with the province of British Columbia to remove barriers to trade, investment, and movement of labour between our two provinces. The Conference Board of Canada points out an estimated 1 per cent of gross domestic product lost to interprovincial trade barriers in Alberta and British Columbia. That figure is approximately \$2 billion a year. Already we are saving \$2 million in capital and \$300,000 in operating costs per year from joint vehicle inspection stations under a previous agreement with the province of British Columbia.

Looking further afield, our annual report shows that we welcomed more than 70 incoming delegations last year, each one representing an international community. The Premier's planned mission to Ukraine and France will further build a growing respect and relationship to the benefit of Alberta business and industry for years to come. We are now working to influence the new federal government's position on World Trade Organization negotiations in areas of interest to Alberta producers. The Washington office is providing invaluable assistance in promoting Alberta as a secure North American energy source to the United States.

Mr. Chairman, the experienced professionals at International and Intergovernmental Relations are good at providing a quality service to the Alberta government, to visiting dignitaries and overseas missions, to our relationships and trade negotiations nationally and internationally. Last year we exceeded our target for client satisfaction across the ministry in Canadian, international, and trade relations. Our Washington office set out to participate in 75 events and opportunities to advance Alberta's interests in the United States, and we met that target.

The Alberta government's current business plan seeks to unleash innovation, lead in learning, compete in a global marketplace, and to make Alberta the best place to live, work, and visit. The relationships with other provinces and the federal government and the relationships we entertain and develop with other countries are essential to creating and seizing those opportunities.

8:10

Mr. Chairman, the world is a global village, and my ministry's \$10.7 million budget will help our province keep and expand our place and role in this community. With all of that in mind I respectfully submit again that we move the estimates for this department.

Thank you, Mr. Chairman.

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

**Mr. MacDonald:** Thank you very much, Mr. Chairman. It's with interest that I rise to participate in the debate this evening on International and Intergovernmental Relations budget estimates. Certainly, building good relations with our neighbours is important, but whenever we look at this department with its 61 employees, or full-time equivalents, it may be a small department, but one has to recognize the significant contribution it can make to good government.

Now, the hon. minister certainly stated correctly that the budget for this year will be roughly \$10.6 million and there hasn't been that much of an increase from one fiscal year to the next, which is probably true. But when you look at this budget over a two-year period, you can certainly see where there is almost a 20 per cent increase in this department's budget. We have to be careful whenever we compare this fiscal year that we're discussing in the budget, Mr. Chairman, to the previous fiscal year. I would urge all hon. member of this House to go back a couple of years, and that will give us a better snapshot of exactly how much money is allocated and where it is to be spent.

The first thing that would come to mind with this department is the trade office in Washington. There are many people from across this province who have questioned the merit of these trade offices, particularly this one in Washington. In the time we have, certainly last summer there was quite a controversy over the role that Mr. Murray Smith, a previous Energy minister, was having in that job. There was the whole issue around Mr. Smith accepting and then quite correctly resigning from a position on the board of Tusk Energy Corporation.

He, in my opinion, is certainly considered an employee of the Alberta government under the code of conduct and ethics for the public service of Alberta, and I don't know how Mr. Smith's appointment was allowed to remain in light of the fact that this was a clear violation of the code of conduct and ethics for the public service of Alberta. Now, I don't know what kind of arrangements have been made, but I for one think that is unacceptable. It was unacceptable last summer, and it is still unacceptable now, and there has never been really an answer. There has been acknowledgement of this appointment and then the resignation of, I shall say, the appointee, but Mr. Smith has still got his well-paying political patronage job in Washington.

I know that other hon. members of this Assembly will say: oh, no. In fact, the Minister of Infrastructure and Transportation is shaking his head. But, no. This is, hon. minister, a patronage appointment, and I don't know how we can see it as anything else. Under this minister's watch I'm confident that it won't happen again. I was disappointed, and whenever one looks at the previous annual report of the Department of International and Intergovernmental Relations, you can see where there were questions raised about Public Service Commission hiring practices. Now, I'm going to read this:

Alberta continued to express its concern over the federal Public Service Commission's use of geographic hiring criteria, a practice that prevents qualified candidates from applying for federal jobs solely on the basis of their geographic location. This matter was raised by Alberta at the most recent meeting of the Committee on Internal Trade and is presently being pursued by Alberta officials. It is expected that the Ministry, in collaboration with Human Resources and Employment, will use the dispute resolution provisions of the [agreement on internal trade] in resolving this matter with the federal government.

Now, that's fine. I'm not saying that the province doesn't have merit, but why does it not look at its own hiring practices? There are many that could argue correctly that, for instance, the appointment or the hiring of Murray Smith was simply done on a political basis. After the election there was a position, a well-paid position, created for this individual, the equivalent of a political soft landing, and it's not right. It was pointed out not only by the opposition but by various media in the province that it was not right. I don't know how this government could make a comment about another level of government and the Public Service Commission's hiring practices and allow this to continue. I just don't understand that. Hopefully, it won't happen again. As I said, Mr. Chairman, I have a great deal of confidence in this minister, and I will be very surprised if that happens again.

While we're on the subject of Washington, in the budget that's been set aside for the celebration of Alberta at the Smithsonian, will there be any extra money required to finish that project? I know it's going to be a 10-day festival, and we have read about it. There have been two allocations to date. Can the minister assure the Assembly and the taxpayers that all the bills are going to be taken care of in this budget?

Mr. Chairman, certainly, with this \$10.6 million budget I would like to turn the attention of the Assembly to the business plan, page 282, the Council of the Federation. On March 31, 2006, the Council of the Federation commissioned a report reconciling addressing Canada's fiscal imbalance. Would the minister update Alberta's response to this report addressing Canada's fiscal imbalance?

Also, on the next page, 283, bullet 1: "Successfully conducting, co-ordinating, and participating in intergovernmental negotiations and discussions to advance Alberta's interests in Confederation." In what specific ways has the department followed up on the report by the MLA Committee on Strengthening Alberta's Role in Confederation? Has the committee taken any steps to support Alberta

separation? What work has the minister done in examining the issues surrounding a firewall? I thought that firewalls belonged in laptop computers and in building codes. I didn't think they belonged in a country, a federation such as ours, and I don't think many Canadians do either.

Now, Mr. Chairman, has the ministry examined the issue of an Alberta pension plan? Have you had a look at that? What conclusions have been drawn? Will the minister provide information, documents, or reports that his ministry has prepared on these issues?

8:20

Canadian intergovernmental relations, page 284 of the business plan. [interjection]

Now, I heard, Mr. Chairman, that someone has a buddy named Danny Williams, the Conservative Premier of Newfoundland, who had a lot to say about this Progressive Conservative Party's actions on the last day of March in Calgary. Obviously, his remarks were not heeded by all members of this Assembly, but perhaps after this session ends, they will have a chance to review his remarks and take them into consideration. But some of those leadership hopefuls, particularly those that are in the back of the pack, may have to work so hard to try to catch up that they won't have time to have a look at Mr. Williams' remarks.

Anyway, Mr. Chairman, the department, as I understand it, will promote solutions to redesign federal/provincial financial arrangements, including the Canada health transfer, the Canada social transfer, equalization, and cost-sharing arrangements. How does the department propose to redesign the Canada health transfer? How would this department redesign the federal equalization program?

Now, I'm going to have to go back for a minute to Washington, DC, and this is in the government's estimates on page 322. We can also have a look at this in the business plan as well on page 285. I would like a detailed breakdown for the \$1.4 million budget of the Alberta office in Washington. What exactly are we spending that money on? What percentage of that budget is being spent on the salary of Alberta's representative, Murray Smith? How much money is the department spending on leasing accommodation for the Alberta representative in Washington, DC? Mr. Smith has gone somewhere where he'll hardly have to wear a cardigan sweater, and he won't have to turn the thermostat down. He might have to wear a sweater in the fall on the golf course. I'm sure that his heating bill and all his utility costs are probably paid for.

Also on page 322, Mr. Chairman, international trips. The Premier has recently announced a world tour before his retirement in December of this year. How do Albertans know that they are receiving value for their money on this world tour? Who is paying the Minister of Education's tab on this? I'm certain that it's not coming out of the hon. minister's department. I can't understand why the Minister of Education would not be more interested in fixing some of the schools here in the city of Edmonton. Anyway, if you could answer those questions or provide the information at a later date, I would appreciate that.

Also, what co-ordination occurs between International and Intergovernmental Relations and the Public Affairs Bureau and other government departments in setting up these trips? Who decides where to go, and who decides which backbench MLA is going? Certainly, when we have a look at the strategies and some of the travel that's involved, there is an initiative on Alberta/Ukraine relations to enhance bilateral relations with the Ukraine. There is a lot of travel to Alaska, to Montana. We're talking about the Canadian/American Border Trade Alliance, the Western Governors' Association, the Pacific Northwest Economic Region, the Council of State Governments.

Now, that would naturally bring us to the whole issue of electricity exports and what role, if any, this department has had in the discussions to increase electricity exports to the Pacific Northwest. I'm not certain that the Department of Energy is willing to share their plans with anyone in this province, including members of the government caucus and including members of Executive Council. I'm not sure that that information is being shared with everyone. So if the hon. minister was to tell me that his department was not involved in any of these discussions, it wouldn't surprise me, but these discussions are very, very important.

There has been to date no information provided to tell consumers, Mr. Chairman, exactly how much money they will save if we allow an increase in our export of electricity to the United States either through Montana or through B.C. There has been no valid economic argument presented as to how this will benefit consumers. The discussions are certainly going on. The discussions are going on between various electricity bodies in America and the Department of Energy.

Now, what role this department plays in that I don't know, but they could play a significant role. In fact, the hon. minister is a lawyer by profession and certainly would be very familiar with the Federal Energy Regulatory Commission in America and how their rulings may or may not apply to the transmission system in this province if we are to increase electricity exports. I can't get any information from the Department of Energy. I suspect that they don't have any. Maybe this is a job for International and Intergovernmental Relations, to get involved in this matter and protect the interests of consumers.

The generators have certainly made it known that they would like to see an increase in electricity exports. We're going to eventually see, Mr. Chairman, in this province, if we were to look at the south part of the province as a step on the ladder and the north part of the province as another step on the ladder – if we're not careful, we are going to develop a series of steps on that ladder which are going to increase from the north to the south electricity exports to America. At the very top of this ladder would be, of course, the proposed dam on the Slave River, the proposed 2,200-megawatt hydroelectric dam there. That would be on the border with the Northwest Territories.

Now, the hon. minister talked about good relations with our neighbours. My next question would be: have there been any discussions with the governments to the north, the territories, in regard to developing that hydroelectric capacity? Certainly, we talked about this before, Mr. Chairman, in this House. Some government members don't want to talk about their past, but in the past, in the election of 1982, one of the planks of this Progressive Conservative government was the development of this hydroelectric resource. I'm wondering if any of the shelves in the library have been dusted off and those reports have been removed by the hon. minister's staff and if they have been read and if discussions are going on with the neighbours to the north.

While we're also talking about our neighbours to the north, what involvement does this department have with the Mackenzie Valley pipeline? Where does the hon. minister stand on that Mackenzie Valley pipeline? Hopefully, the minister would be supporting it, and hopefully the minister would be ensuring that – you know, this gets back to the whole issue of firewalls. We don't need firewalls. What we need is a government that's going to ensure that as this natural gas comes from the north, the petrochemical industry in this province has an opportunity to extract that ethane.

I look forward to further debate on this issue. Thank you.

8:30

**The Chair:** The background conversations are steadily increasing

in volume. I would ask that we either keep those conversations down, Minister of Agriculture, Food and Rural Development, or perhaps take them out into the committee room.

**Mr. Mar:** Mr. Chairman, I listened very carefully to the comments by the hon. Member for Edmonton-Gold Bar. I thank him for his comments and his questions, largely which I would characterize as a piscatory exploration not only of the Department of International and Intergovernmental Relations but also of a number of other departments. But my undertaking to him is to review *Hansard*, and if I'm able to distill any cogent, reasonable, and relevant questions to the department, I'll be happy to answer them at the appropriate time in written format.

Thank you, sir.

**The Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chairman. I rise with some interest to make some comment and criticism on International and Intergovernmental Relations, and I thank the minister for his very concise comments in regard to the activities of this particular ministry. As the hon. minister mentioned, it's not a large ministry but certainly an influential one and an important means by which we reach out and interact with other provinces, the United States, and other countries around the world.

I found it somewhat interesting that the hon. minister chose to quote Marshall McLuhan, who is very well known for speaking on the media. Actually, interestingly enough, Marshall McLuhan was born an Albertan, born right here in Edmonton. It's not a well-known fact. Certainly, he did most of his work at the University of Toronto.

It's an interesting, perhaps, stepping-off point for myself as well. Of course, in the discussion of the global village that Marshall McLuhan expounded on back in 1964 or '65 when he wrote the book *Understanding Media*, he was talking about this process of making culture and government and everything to do with human relations somewhat homogeneous throughout North America just because of its natural geographic singleness and a single language throughout most of North America. He was commenting with some despair at how there is this process towards homogeneity and making things the same, I suppose, from north to south.

Certainly, although this is a larger process that goes beyond our ability to control, at the same time I think it's important for us to defend against that to some degree and make sure that we are in fact looking critically at this process of making the world smaller and making sure that our own Alberta interests are being looked after more and in primacy over any other actions that might be taking place, particularly to the south of us with a much more powerful and influential neighbour. So my comment in regard to intergovernmental affairs in the most general sense is looking to make sure that we are looking after Alberta's best interests and being aggressive and somewhat critical as well when faced with decisions in regard to international and interprovincial trade and such things as that.

The main point that jumps to mind for me when examining this ministry's budget is sort of the lack of specificity. The breakdown of the budget kind of shows things in the most general way and very all-inclusive, so it somehow precludes any specific knowledge for me except through questions that I can ask. I think we have to wait for the annual reports to give us more specific information.

I find it interesting that there is a biennial client satisfaction survey, the performance measure of choice for this ministry. It poses questions that are so broad, such as "How satisfied are you with this service area?" or they're so specific that not meeting them

satisfactorily is next to impossible, like the question that I see here, "I was able to access the website easily," which isn't really a question at all.

Another example that I see here – this is from the business plan – illustrates rather nonspecific information about this ministry. On page 286 of the business plan a performance measure states that there were 75 significant events or opportunities to advance Alberta's interests through the Washington, D.C. office. I would like to ask the minister: what does this category, significant events or opportunities that advance Alberta's interests – what does all that capture? What is included in those 75 things? Perhaps if we could see some examples, that would be much more illuminating.

I think that Albertans need to know exactly what's going on with International and Intergovernmental Relations. It's very important. The decisions that are being made in the United States, in Europe, and in Asia, federally as well, are very, very prescient to our understanding and to our decisions that we need to make on a daily basis. So I think that perhaps more, we could say, clarity and transparency would be appreciated from this ministry, and I'm sure that the new hon. minister would agree with me in that regard.

Regarding this whole idea of full disclosure this ministry like all ministries I believe should post all expenses and not just for international travel. I know that in British Columbia we have the capacity to look at all expenses that are incurred on the Internet, and while this might seem like a great mass of information that might sort of overwhelm us, I think it does provide that sense of transparency that our taxpayers would appreciate.

Actually, thinking of Marshall McLuhan again – I guess we can use that as a theme, right? – another quote that I always liked of his was that "mud sometimes gives the illusion of depth." I think that we can pass through the mud that sometimes is thrown up to confuse individual citizens by providing full transparency. I'm just asking in the broadest possible way. I have an example here of a five-day trip to Hong Kong in December of 2005 which cost \$14,000 in travel expenses, and while I understand that it is expensive to travel at a level that's necessary to interact with ambassadors and trade missions and whatnot, I think that the citizens of Alberta would like to see where that money is being spent. So it would provide, perhaps, reassurance and illumination that would keep the mud, as Mr. McLuhan would say, from being thrown up into confusion.

8:40

The ministry has its Washington office, and last year it received a 38 per cent boost to its funding, bringing up its funding overall to \$1.38 million. Surprisingly, it managed to stay within that very large budget. This year again another large budget is being asked for, so I'm looking specifically for performance measures that would perhaps justify this expenditure. I know that we've had some controversy in regard to this office. I'm not suggesting that the office is not necessary, but certainly it seems like a place where a lot of money is spent, including the \$230,000 remuneration for our emissary there, which was topped up with an extra \$30,000 for other things, I suppose. For my constituents, say, for example, this just seems like an incredible expenditure of money on an individual, and I would certainly like to see some more specific performance measurements, perhaps, and justification for that large salary.

Some of the performance measures that I would like to see specifically from that Washington office would be in regard to the whole BSE situation. BSE is creating a tremendous amount of uncertainty in our cattle industry, and borders seem to be opening and closing and not just between us and the United States, so I'd like to ask what the Washington office is doing specifically to ensure that Alberta cattle producers will be able to sell their beef across the

border and to other places as well. Other countries sometimes will look at our open situation with the United States as being a potential place for infection as well. So it certainly is a complicated place to go, where our Washington office needs to take some leadership.

As well, there has been some political backlash regarding the selling of fake licensing here in Alberta through our privatized registry system, and I would like to ask the minister if we have had more input with the Department of Homeland Security in the United States, who stated back in February that they would be addressing this specifically. I just wanted to know what specific interactions we have seen there. Have we had to impose changes based on concerns from the United States that we were posing a security breach here in the province of Alberta by not controlling our privatized registries properly?

This next topic I have particular interest in because, of course, it's unfolding by the day, and this is the whole softwood lumber issue. The softwood lumber issue seems to have a framework by which we can resolve the dispute to some degree, and the minister mentioned that he was cautiously optimistic in regard to this potential resolution. I just wanted to ask specifically if the minister has made inquiries as to how our own provincial sawmill and pulp industry will be affected by this framework for resolution of the softwood dispute.

One of the difficulties that we're seeing is that smaller sawmills and pulp producers in the province have been on the brink of extinction because of this softwood dispute, so I'm certainly hoping that with whatever we might be signing on to here, we are first and foremost protecting our sawmills, which are often the lifeblood of small centres throughout the province. I would hate to see something in this framework agreement that would somehow compromise the ability of small producers to be continuing their operations.

As well, I would like to ask the minister if he believes that the payback of 80 cents to the dollar in this softwood dispute framework is sufficient considering, I believe, that it's \$5 billion in tariffs that we've paid. If our own province represents at least something like 10 per cent of the total production of the country, then it's quite a significant amount of money to perhaps sign away for the sake of some tentative agreement.

I would like as well to just bring up this whole issue of the trade investment and labour and mobility agreement reached between Alberta and British Columbia. Today I believe the hon. minister brought up and said that health and social services, social and aboriginal policies, labour standards, consumer protection, taxation of royalties, and public safety would be amongst the exemptions from this agreement. According to the minister these are all exemptions and will remain under the sole control of each province. Perhaps I would like to ask the hon. minister to explain a bit as to why these areas were made exempt, and we would certainly like to hear about the mechanism by which it was decided that these areas were to be exempted from this agreement. There are comments around, that I've heard, that this agreement might in fact serve to worsen labour shortages across provinces, and we're asking if there's anything being done to perhaps investigate that allegation or that information that's being passed about.

Now, correct me if I'm wrong, but intergovernmental affairs would seem to be having some decision-making process over this new federal government budget initiative in regard to child care, and there seems to be a lot of confusion as to whether this new budget is giving a child care benefit or, in fact, is just paying sort of a baby bonus to individuals with children under six, which seems to be fine, but calling it a child care funding initiative I think is somewhat deceiving. So I would like to ask if the minister would be playing any active role in this issue as well as any re-evaluation of equaliza-

tion payments into the federal government. There seems to be a lot of discussion around that, and I think that we have to be very diligent in ensuring that Alberta's interests are being looked after in the best way possible. I would like to ask then, as well, what the minister's assessment of budget windfalls or shortcomings for Alberta are, how that might play in the federal arena.

Those are some of the comments, Mr. Chairman, that I have in regard to this intergovernmental affairs budget. It's a very interesting, as I say, sort of ambassador for Alberta in the interprovincial and federal and international stage, and I am certainly looking with some anticipation with the present minister in charge. I admire many of his abilities, and I hope that he can engage the outside world to Alberta's best advantage.

I'll leave you with one more Marshall McLuhan quote that I like as well since we heard it. This is a good one, but sometimes it can lead us astray. He said, "I may be wrong, but I'm never in doubt." With that, Mr. Chairman, I beg your leave and thank you for the opportunity.

8:50

**The Chair:** The hon. minister.

**Mr. Mar:** Thank you very much, Mr. Chairman. I did listen carefully to the comments made by the hon. Member for Edmonton-Calder. I did find that he's done his homework and made a number of comments that I thought were insightful and asked some questions that, in fact, had specificity and cogency to them. I will also give the undertaking that I will endeavour my best to review *Hansard* for his questions, but let me take some time to address to the best of my ability now some of the questions that he did ask. I'm glad he recognizes the important role that the department plays as an adjunct to many other departments, be they in the area of agriculture or in the area of health and so on and so forth.

He asked about the cost of \$14,000 in Hong Kong. I'm assured by the previous minister that this involved the costs of four people going over to Hong Kong as part of the discussions on the WTO. The cost of airfares to and accommodation in Hong Kong by itself are quite expensive. Fourteen thousand dollars strikes me as being perfectly reasonable, particularly in light of the accomplishments that were made by that mission at that time, that involved not only supply management but also issues of what's referred to as NAMA, which are nonagricultural products, as part of WTO negotiations.

He asked me to outline some of the rationale for the costs incurred in our office in Washington and what has been generated in terms of activity there. The Alberta Washington office has generated unparalleled and unprecedented U.S. media coverage of the province of Alberta and its key role in North American energy supply and security. The media coverage certainly has elevated Alberta's profile in the United States. I don't think that we've ever had front-page coverage in places like the *Washington Times* or the *Wall Street Journal* or the *Washington Post*. CBS's newsmagazine *60 Minutes*, which featured the oil sands in January of this year, precipitated many, many calls to the Fort McMurray area with respect to our oil sands activity in northern Alberta.

Not only has there been significant media coverage of Alberta as a result of the Washington office but that office and the office holder, Murray Smith, have been instrumental in providing contacts and support and technical information to U.S. policy-makers and have given ministers from this province great access to appropriate people in Washington. The office has also lobbied on behalf of Alberta's agriculture sector, advocating the reopening of the U.S. border to Canadian cattle and beef, including a BSE policy forum that was held on Capitol Hill. I should say that the office has also

provided leadership in the planning and execution of the province's participation in the 2006 Smithsonian Folklife Festival and will capitalize on the momentum generated by the incomparable coverage and attention that Alberta will receive as a result of that event.

The hon. member asked a very specific question about the softwood lumber deal. I believe that yesterday in question period I did address this question somewhat. I indicated that we were cautious about this and optimistic at the same time; optimistic because there is now a framework agreement but cautious because the framework agreement only provides a basis for a finalized deal, the legal text of which will be generated over the next few weeks. So the reason for the caution that I expressed is that we want to ensure, as the hon. member has asked, that the details of what's worked out pursuant to the framework agreement will ultimately be a benefit to Alberta producers.

He asked a very specific question about whether getting \$4 billion of the \$5 billion collected by the U.S. was an appropriate return. I would argue, Mr. Chairman, that this is not a perfect deal. A perfect deal would have resulted in all \$5 billion coming back, including interest, but always when it comes to negotiations, what you can attain and what you desire are often two different things. This appears to me to be the best deal that we can in fact achieve or attain. I suppose we could have taken the position that we wanted all \$5 billion back, but this may have ended up resulting in a protracted litigation that would have cost many, many, many, many more dollars than we would actually recover. It would be, perhaps, a situation where it is better to negotiate certainty of access to markets now rather than have the uncertainty associated with litigation long into the future.

The hon. member asked a very specific question about the trade agreement that we recently struck with the province of British Columbia and wondered why certain areas were exempt. I think many people would recognize that in some areas there are particular sensitivities that may exist between two different provinces with respect to the control of something like a social policy or the environment, so at this time those areas are exempt. That doesn't mean that at some point in the future there might not be some form of discussion where you might merge agencies that are separate agencies between two different provinces or at least increase the amount of co-ordination between two such agencies.

One area may be something that was discussed at the joint B.C./Alberta cabinet meeting, that being the co-ordination of efforts between the B.C. cancer board and the Alberta Cancer Board with respect to co-ordinating their research activities. That would be an area that falls within the overall rubric of health but still may be a fruitful area for a continued co-operation between those two areas.

Having said that, Mr. Chairman, I'll take my seat, and again I thank the hon. member for his thoughtful questions.

**The Chair:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much, Mr. Chair. To begin with, I want to offer, I guess, both congratulations and condolences to the new minister. I do want to commend him for recognizing the important role of family and deciding not to be part of the leadership race because of his love for his family. I commend him tremendously for his priorities.

One of the things that's interesting is that when Mr. Smith went to Washington, a Mr. Chase came to Edmonton. There is, I believe, a kind of direct relationship in those two events. Although my hon. members from Calgary-Currie and Calgary-Mountain View had no

difficulty defeating recumbent incumbents, it added to the ease with which I reached Edmonton.

My concern with the former Member for Calgary-Varsity and his qualifications: I would very much like to know to what extent there was a competition for Mr. Smith to receive this Washington appointment, what qualifications the minister possessed, had demonstrated, and so on that made him rise to the surface, overcoming all other challengers. I'd like to know, for example, without necessarily naming names, how many other challengers there were.

I'm also concerned about Mr. Smith's selection based on Mr. Smith's very costly history for Albertans. Mr. Smith was the Energy minister during the period of deregulation. During that period Albertans basically lost anywhere between \$5 billion to \$7 billion in hardware, transmission lines, and so on in failed power auctions. I guess that would be a good reason to send Mr. Smith down to Washington.

**9:00**

Mr. Smith also made the comment, that my colleague from Edmonton-Gold Bar attested to, that, well, if you're cold or if the price of gas or electricity is too high, you can put on a sweater. That showed a tremendous amount of compassion for Albertans suffering from the deregulated price of electricity and the failure of the then Energy minister to bring in the promised gas rebates. It was very convenient prior to the election in 2001 to offer those energy rebates and then basically forget about them for the next two years.

Also, Mr. Smith as part of his past history stuck Alberta consumers with a \$1.5 billion cost in transmission lines. Instead of just sort of splitting the bill with industry, Mr. Smith suggested that, no, this was for the consumers' benefit, and therefore they should pay for it. He'd already increased their prices; now he was increasing their hardware.

Now, Mr. Smith has been down in Washington. He was down in Washington at the time, as former members have pointed out, when we were suffering from a BSE crisis and a border closure.

**Dr. Brown:** Mr. Chairman, a point of order.

**The Chair:** The hon. Member for Calgary-Nose Hill.

#### **Point of Order Relevance**

**Dr. Brown:** Mr. Chairman, the hon. Member for Calgary-Varsity has gone on at some length about Mr. Smith and the conduct of his office in a previous time period. I'm wondering what the relevance is to Committee of Supply on the department of international and intergovernmental affairs. I see no relevance whatsoever in this diatribe.

**The Chair:** Anyone else on the point of order? The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Yes, Mr. Chairman. There's no point of order here. There was no citation. I'm sorry; there's no point of order here.

**The Chair:** Before the hon. member starts, I will point out that it was pointed out earlier today that the use of the names of fellow members in the House is against the Standing Orders. It does say that you can't use your own either.

The hon. member.

**Mr. Chase:** Thank you very much, and I'm glad that slipped under the radar.

With regard to the relevancy, this department, whose funds and budget we're discussing tonight, is directly responsible for the appointment of that former member, Mr. Smith, to Washington, so my comments have direct relevancy because, obviously, we want a very capable individual in Washington dealing with our affairs.

#### Debate Continued

**Mr. Chase:** To go back, the former minister and now our man in Washington was there during the BSE crisis. He was also there for a large part of the softwood lumber dispute, as has been alluded to by former members. If this minister can point out the achievements, the speedier border opening – we seem to have a disagreement as to whether leaving a billion dollars behind for American forestry companies to use to fuel suits against Canadian softwood is a good idea or not. I can't help but think that a bird in the hand is worth a billion in the bush given the American presidential reference.

While I want Alberta to strike out on its own and develop its own trade deals, I'm not sure that we could not in partnership with the federal government, particularly now that it's that much easier for our provincial Conservatives to deal with the federal Conservatives, have a joint-space trade office. If we feel that this is necessary, why couldn't we potentially be sharing space and some form of leasing agreement, sharing our knowledge?

It seems to me that it would be under this particular ministry that the suggestion was made to gainfully employ former Alberta-elected Senators-in-waiting. At one point it was proposed that we have a stipend for these formerly appointed individuals or elected Senators-in-waiting and that we provide them with some kind of space or an allowance so that they could hang out in Ottawa until such time as, potentially, a Conservative government was elected. Well, we've had a Conservative government elected, and I haven't heard of any hasty calls from the now Prime Minister Harper to appoint some of those Senators-in-waiting. I know that one of the Senators who was elected has been gainfully employed in this House, but I won't mention his name.

I'm also concerned about where we stand with the federal government in terms of Senate reform. I know we've talked about an elected Senate, but on the other two Es of the Senate – I'm not sure to what extent we've discussed the potential new role of elected Senates with provincially elected Senators rather than the current appointments. It will be interesting to see. If the hon. minister would like to clarify the role he sees for elected Alberta Senators within the federal process, I would be pleased to hear his response.

I'm also concerned about BSE and the lumber. I would be interested in this minister's opinions and in what discussions he's had with our representative in Washington with regard to the proposed border wall and the access that we have to the States. I know that one of the things the minister indicated was that by having a representative in Washington, there's been an opportunity to highlight and profile Alberta and that part of that profiling could potentially result, given the right types of promotion, in further business here in Alberta. We've had the business of Hollywood coming to us because of our backdrops, which may not continue for many years into the future because we're intruding on those so-called Hollywood backdrops with an awful lot of drilling activities and a variety of other activities such as clear-cutting and so on, which makes our backdrops somewhat more of the receding type than the ongoing, preserved environmental beauty. It would be interesting to know if the minister can pinpoint specific examples or provide any kind of monetary numbers on where the appointment of Mr. Smith has had direct benefit if there's a financial value to his contributions.

#### Chair's Ruling Citations for Points of Order

**The Chair:** Hon. members, again the noise level is increasing.

While I've interrupted and have your attention, on the point of order that was raised by the hon. Member for Calgary-Nose Hill, no citation was raised. The proper citation would have been Standing Order 23(b)(i). It did bring the speaker to focus a little bit more on the subject rather than on the personality, but a citation is required when you do bring forth a point of order.

I hope as well that this pause would also cause us to reflect that when I raise the question of noise level, it's adhered to for a while.

Hon. Member for Calgary-Varsity, please continue.

9:10

**Mr. Chase:** Thank you. I'll try to be more dynamic and exciting so that I can hold everyone's attention. I know that my former students were always on the edges of their desks waiting for the words of wisdom to follow. [interjection] Well, he's awake.

#### Debate Continued

**Mr. Chase:** I would also comment that with regard to the BSE and our oil sands, we have provided our American neighbours with some wonderful opportunities and, I believe, at our economic expense. We know that during the BSE crisis the American packing plants in Alberta did extremely well. The all-party committee that was formed asked the packers to open their books. That was prevented from happening because of a federal Conservative member. So my hope is that with the interrelationship of Conservative to Conservative, possibly we will have a better understanding.

I'm also concerned about the opening up of our environment particularly, as I mentioned, in the oil sands. We offer not only to America but to the world the greatest stable opportunity for oil and gas extraction, yet the royalty structures that we have agreed to, the 1 per cent which upon completion becomes 30 per cent, leaves us open to what I would see as almost a plundering possibility. Our southern neighbours receive the benefits of our oil, but they don't have the tailing ponds that we have as a result of our trading deals. I would hope that through this minister we could potentially with the federal government be renegotiating the prices that we get for our resources because I don't think we're served well.

I'm not going to talk about the Kyoto protocol and water transfers. I'm going to leave that up to the hon. Member for Calgary-Mountain View to raise. But considering what's happening in Bolivia, considering what's happening in Venezuela, considering the difficulties that are happening politically in the Middle East, we offer a tremendous stability. I think that there should be a price for that stability, and I would hope that the hon. minister would recognize that and possibly pass along to the appointed individual in Washington to drive a harder bargain. I'm not suggesting using oil as a lever with the softwood. I don't think that's the way to go. But I think that we should be recognizing that there is a tremendous environmental price and legacy as a result of America's growing dependency on our resources.

With regard to our intergovernmental relationship with Ottawa, I would hope, as the Member for Edmonton-Calder pointed out, that this minister might be talking with the federal child care minister, who has basically abandoned the opportunity for increased accreditation in daycares, better pay for daycare providers, and who has not recognized the need for stay-at-home parents with this \$100 a month, which is a taxable part of the income for most families.

My hope with the intergovernmental affairs minister is that we're going to be looking for other economies to balance our future needs.

Our relationship with America has been profitable, but it's also been costly. I mentioned the environmental costs. Hopefully, some of the previous trips to China that have been alluded to will produce direct results. I know that China would like to put their imprint into our oil sands development as well.

I think we have to be very cautious that we're not viewed strictly as hewers of wood and gatherers of water, that our manufactured resources are as important if not more important. I know that the minister of agriculture, who will be speaking later, pointed out that he'd rather see beef in a box than beef on the hoof. Likewise, we have so many of our sawmill operators going belly up due to the softwood lumber problems, yet we're still sending trees instead of lumber across the border. So I would hope that this minister would encourage other departments such as Sustainable Resources and support the agricultural ministry in selling finished products, whether it be refined oil, butane, methane, et cetera, whether it be the beef in the box, or whether it be the plywood, the sheet lumber, the paper, as opposed to sending our raw products south and then paying for the price of having the finished product shipped back to us from the States.

These are all hopes. I know that other members wish to participate. I'll look forward to whatever responses the minister can provide.

**The Chair:** Hon. minister, do you wish to respond?

The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you, Mr. Chairman. It's my pleasure to rise and speak to the estimates briefing for International and Intergovernmental Relations. I'm particularly interested and will be brief on the issues of international action.

I don't know much about this ministry in relation to some of these environmental issues but would like to hear if there are any connections with the federal government in relation to the Kyoto and climate change issues, what, if anything, the department has in the plans at the present time in relation to international commitments on reducing greenhouse gases. Are there any kinds of connections with the Alberta Environment department? How does that connect between the two departments? What kinds of communications on international affairs would occur in this regard? Would the minister's department have anything to do with economic estimates of our international commitments, and is that part of the role of the International and Intergovernmental Relations department? If not, is there a potential for evolving that role with a view to having greater influence both federally and internationally?

In respect to water and the bulk sale of water, obviously many of us are concerned about the commodification of water and have been reassured in the past that this is not on the agenda both provincially and federally. The pressures are increasing. Has there been discussion, and what is the nature of the pressures that the department might be feeling on the issue of international or even interprovincial trade in water? Have any policy options been explored or developed on this? What research might be done, and what are the implications if the U.S., for example, did press the issue and seek to have access to our water?

A third area that I've been interested in these last few months has been the issue of foreign workers and what, if anything, this department has to do with the foreign workers issue. There seems to be a tension between provincial and federal counterparts over this whole issue and temporary foreign workers. What, if any, role does this department have there?

Those are the key questions I wanted to find more information on. Thank you, Mr. Chairman.

9:20

**The Chair:** The hon. minister.

**Mr. Mar:** Thank you, Mr. Chairman. First of all, in dealing with the comments made at the outset by the hon. Member for Calgary-Varsity, I thank him very much for his support expressed for my position on seeking the leadership of the Progressive Conservative Party of Alberta. I will only say this, Mr. Chairman. There are many titles that a man may earn during his life. Those titles may include honourable, they may include minister, they may include Premier, but there are none that are more important than the title of dad.

Mr. Chairman, the hon. Member for Calgary-Mountain View raised a number of very important policy questions, and I will say that the role of my department is this: it is to provide support for departments, like the Department of Environment, vis-à-vis other governments, be they other provinces or the federal government or perhaps even states or jurisdictions outside of Canada. So the Department of International and Intergovernmental Relations would not itself have policy perspectives on areas of bulk water transfer or with respect to foreign workers or with respect to the area of Kyoto and climate change, all of which are important issues. But we would provide assistance in terms of dealing with other governments on these matters.

The hon. member knows that some of these matters, like environmental issues, have very much a perspective that covers different geopolitical boundaries. So we do provide important advice in working with other governments but don't have a particular policy perspective that would be independent of the Department of Human Resources and Employment or the department of health or the Department of Environment.

With that, Mr. Chairman, I think I'll take my seat and be happy to entertain any other questions that may arise.

**The Chair:** The hon. Member for Edmonton-Rutherford.

**Mr. R. Miller:** Well, thank you very much, Mr. Chairman. My pleasure to rise tonight and speak to the estimates for the current fiscal year for International and Intergovernmental Relations. I will be very brief tonight. I have really just one question that I don't believe any of the speakers have touched on yet this evening. I think it's a relevant question and should be asked, so I made a point of coming over this evening so that I would have the opportunity to ask.

For the minister. It's been brought to my attention that a lot of preliminary work has been done on the feasibility of establishing a trade office in the Middle East. When I look through the annual report of the ministry from 2004-2005, there's a results analysis on initiatives in the Asia-Pacific region, China and Korea, initiatives in Europe, both Germany and the Ukraine, and I note that we have international governance offices in China, South Africa, Russia, and Mexico, Mr. Chairman, but no reference that I could see there whatsoever to the Middle East. Certainly, when I go to the business plan for the ministry for this current year, again there's an awful lot of talk about improving international trade in various parts of the world, but I couldn't see any specific reference to the Middle East.

Given that there's an awful lot of oil and gas activity taking place in the Middle East, and certainly Alberta is renowned to be a world leader in oil and gas activity in North America, I'm concerned that perhaps we may be missing trade opportunities or not realizing the full benefit of trade opportunities coming out of that part of the world. So I guess that specifically I would like to ask the minister what the ministry is doing to actively pursue economic opportunities



in the Middle East and trade relations with Alberta's oil and gas sector specifically. Also, when was the last time that the Alberta government ran an economic trade mission to the Middle East? I'm sure there have been some. I'm not currently aware of when they would have been. Also, I'm wondering whether or not there is a plan in place at the current time for opening a trade office in the Middle East.

I've been led to understand that, in fact, the agriculture minister and his ministry are supportive of such an idea, yet that's not necessarily the case with Economic Development. I'm going to assume that the Minister of International and Intergovernmental Relations would perhaps be in the mix there as well. So, certainly, I think the minister may be able to shed a little bit of light on that, and that would be my question.

I'm hoping I can have some response this evening, and if not I'll certainly look forward to a response soon. Thank you, Mr. Chairman.

**The Chair:** The hon. minister.

**Mr. Mar:** Thank you, Mr. Chairman. The hon. Member for Edmonton-Rutherford should know that the offices that are in places like Tokyo, Beijing, Seoul, Hong Kong are offices of the Department of Economic Development, tourism. The only international office that falls under the purview of the Department of International and Intergovernmental Relations is the Washington office. The other ones as trade offices fall within the purview of a different department, so I'm not vested with any information with respect to any current plans to open an office in the Middle East. I'm not briefed on any such matters. So that will be a question that you will have to refer to the appropriate minister.

Thank you.

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

**Mr. MacDonald:** Thank you very much. Again, I have more questions. I'm disappointed that the hon. minister has not indicated that he will endeavour to answer my questions from our previous discussion, and I note that with significant interest – significant interest, Mr. Chairman.

Now, again, I have questions in regard to the proposed Senate reform that has been discussed. Certainly, this department in the past has analyzed Senate reform and Senate nominee elections. You know, the credibility of this government on Senate reform and Senate nominee elections is certainly in doubt. This is a government that in the past has agreed to elect regional health authorities and then fired them.

So my questions, Mr. Chairman, in regard to Senate reform and the Senate nominee election are: has this provincial government engaged the new federal Conservative government on Senate reform? What long-range plans does the ministry have in place to pursue the idea of the triple-E Senate? We all know how fond this government is of spending public money on ad campaigns and public awareness campaigns. Is there one in the works by this department in regard to the triple-E Senate? If there is, how much of the ministry's budget is being devoted to this issue? Also, have any formal or informal discussions occurred between the Alberta and the federal governments in the past year regarding this elected Senate, and what were the results of these discussions?

9:30

Also, I too have some questions in regard to the Kyoto protocol, the business plan on page 285. Has the provincial government

engaged the new federal Conservative government on the Kyoto protocol? What steps is the department taking to address the Kyoto protocol in future years? How is the Department of International and Intergovernmental Relations working towards helping Alberta meet its Kyoto targets? What strategy has International and Intergovernmental Relations developed to deal with Kyoto? Are they working with other government ministries? What's going on there? Will the minister provide this House with copies of any economic impact assessments done by his department relative to the Kyoto protocol? Again, Mr. Chairman, will the minister provide copies of the documents his department has supporting the Alberta government's position relative to the Kyoto protocol?

The hon. Member for Calgary-Mountain View had some similar questions in regard to water. [interjections] They must be discussing selling memberships over there, Mr. Chairman. Seems to be going well too.

Now, exporting water. The business plans, again on page 286. We have some indication in the business plan of the future of water in this province and some of the discussions that are ongoing, but who is the department consulting on this issue? What work has the department done on examining the issue of water exports? Have any policy options been developed? What research is being conducted?

Also, the issue that was examined by the hon. member from Mountain View was the whole issue of foreign workers. If we look at the business plan on page 285, there is, certainly, an indication that there is to be a design, and implementation, and management of governance of "projects, particularly in priority countries, working with ministries, educational institutions, and private sector partners." Now, I realize that the whole memorandum of understanding for temporary foreign workers was implemented by a former minister of this government who is now sitting as an independent, but we need to have an examination of this, and I think that this would be the department to do that examination. I'm wondering if there's going to be any money allocated to do this.

Certainly, there could be work done with the federal government. First off, there should be a determination whether these workers are necessary. I did a little phoning around here this week, Mr. Chairman, and I was surprised at the number of outfits in the oil patch who indicated to me that they were not hiring staff at this time. It has nothing to do, they assured me, with breakup or any other thing. So examine the whole issue of whether we need temporary foreign workers.

The hon. minister talked earlier about being good neighbours. Well, I think we should first be good neighbours with our provincial cousins and ensure that all the people in British Columbia and all the people in Saskatchewan or Manitoba that may be interested in coming here have a chance to do so. Even if it's working temporarily – whether we consider a month or a year a temporary basis is no matter – we should ensure that all Canadians who are interested in coming here and working in our north developing the oil sands have a chance to do so. Certainly, the department could look at this issue.

I'm not convinced that Human Resources and Employment is doing it. Certainly, in Advanced Education they seem to just want to pretend the issue is not there. There are many examples of Canadians looking for work. Perhaps our minister could see what other Canadian provinces are doing in regard to manpower commitments and if they have any surplus in their labour force that perhaps could be employed here.

The hon. Member for Calgary-Varsity talked about the whole issue of child care. Certainly, I was pleased to learn that child care negotiations were part of last year's business plan. I can only assume that that is going to be the case again. I was pleased to learn

that the ministry had worked closely with Children's Services during the negotiations and will continue to support Children's Services in their endeavours. The hon. minister is not sitting too far from the Minister of Children's Services, so I'm sure those discussions and negotiations will continue with the Ministry of Children's Services, and hopefully the hon. minister is going to provide advice as well.

Certainly, there has been in the past, and the minister has talked about, the ongoing co-operation between Alberta and British Columbia and the joint cabinet meetings that have occurred and the meeting that occurred recently. There are a number of Alberta/B.C. agreements that have been signed. I hope that the minister can provide to this House an update on what negotiations are occurring at this moment.

What are we doing in regard to some of our oil royalty rates? Will there be consideration of a royalty structure that is identical, perhaps, in both provinces? I don't know if the hon. Member for Calgary-Mountain View is going to be happy to hear this, but I am concerned about the difference in the coal-bed methane royalty structure in British Columbia. That may increase or enhance coal-bed methane development there at the expense of coal-bed methane development in Alberta. If the minister could update us on any of the negotiations that are going on in regard to this, I would appreciate it. Certainly, B.C. has some different ways of regulating their oil and gas industry, and there are some who say that their regulatory process is more streamlined than ours.

There are other questions, Mr. Chairman, that I have as well. I don't know how much time we have, but certainly there are many trade issues that the ministry works with. There's the issue of Canada/U.S. wheat. Again, live swine between Canada and the U.S. is a trade issue; aircraft conventions, the UNESCO draft international convention on cultural diversity, the Chinese investment in the oil sands.

Now, as I understand it,

in November of 2004 the Ministry co-ordinated provincial initiatives related to achieving a presence in the federal government's China-Canada Energy Working Group, which is a forum for the discussion of Canadian and Chinese energy issues and interests, including oil sands development. These efforts resulted in the federal government agreeing to establish a separate session to allow Alberta to present information to the Chinese on the oil sands.

I don't think that we need to import Chinese workers on a temporary basis. I don't think that's good for the Chinese, nor is it good for Canada or Alberta, but certainly I think we should be encouraging Chinese investment in the oil sands.

**9:40**

I know that last summer, Mr. Chairman, there was significant interest expressed by the Chinese in investing in a major American oil and gas company, and of course the Americans would have no part of that. When we see the implications to our beef producers when the border with America was closed as a result of the BSE, we have to be very cognizant of what happened. It should be a reminder to us that we need to make sure that all our eggs, so to speak, are not in the same basket. I'm not talking about an Easter basket here but a market basket. That's why I think it is very, very important, and I would encourage the minister through the Department of International and Intergovernmental Relations to find ways to encourage Chinese investment in the oil sands and also ensure that our export markets are diversified.

It's not in our interests to see all our bitumen production or our oil and gas go just to one market, the American market. I think that this is a very strategic development for our petroleum and particularly our bitumen production. It's in our interests to ensure that we have access to the Pacific Rim countries. Certainly, there is significant

talk – and I think it's more than talk, but I think a pipeline is going to be built, whether it's to Kitimat or to Prince Rupert. Some of that production, at least, should go to the Pacific Rim. It don't think it's in our interests to see all this production going to go to Long Beach, California, for instance. I don't think that is in our long-term interest.

If we diversify our export market, I think we're all better off for it. What I would like to see this ministry do is take a very active role in ensuring that the export of our bitumen production is diversified. It's important not only for the market basket, Mr. Chairman; it's also important because with that pipeline from the Pacific tidewater to Edmonton then on to Fort McMurray there is going to be an additional line or loop, a much smaller line, that incredibly is going to take petroleum distillates from other jurisdictions, other oil fields in the world, to Fort McMurray, and it is going to be added to the bitumen before it is exported.

So the fact that we have in the past failed to protect our distillate production is now costing us because a lot of these liquids are of course running down the alliance line through the American Midwest. As a result of that – and I'm not saying that's the sole cause of this shortage – incredibly we will be importing some petroleum distillates to use as a dilutant in bitumen shipping, and this is where we're going to get it. So it's an important issue, and I certainly hope that the department is going to have an active role in any discussions.

Now, the softwood lumber dispute. We saw earlier this week where there was finally a resolution to this, and I'm wondering how this will affect the community timber program in Alberta. I know that this department, Mr. Chairman, in the past has been active in developing some solutions to the softwood lumber dispute, and I'm wondering if the minister could give us an update on that, please.

Also in the past, in reviewing the financial statements of this department, one will see that there are some deficiencies in the management employees' pension plan. Now, at the end of 2004 the management employees' pension plan reported a deficiency of \$268,000, and the public service pension plan reported a deficiency of almost half a million dollars, and in 2003 that was over half a million dollars. What's being done to eliminate that deficiency? Where would I find that? In the estimates? If that is being fixed, I would like the hon. minister to point out where I could refer to that.

While we're on the topic of pensions, Mr. Chairman, is Murray Smith eligible for a pension once he retires from the political patronage appointment in Washington, DC? Did that compensation package come with a pension? It would be very ironic if the hon. minister was getting a pension because, certainly, he among others was advocating that pensions were not necessary at one point in his political career.

I understand that there are 60 or 61 members in this department. Does the ministry still share staff with the Department of Aboriginal Affairs and Northern Development?

**An Hon. Member:** They do.

**Mr. MacDonald:** They do? Okay.

Thank you, Mr. Chairman.

**The Chair:** Hon. minister, do you wish to respond?

**Mr. Mar:** Mr. Chairman, I'm at a loss. I could not possibly have anticipated a wide range of policy questions that are really outside of the purview of my own department, but I will attempt to spend some time going through the comments. There may have been a

pearl of wisdom in the comments just made, but I will be shucking many, many oysters to find it.

With that, Mr. Chairman, I'll take my seat.

**The Chair:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much. I'm going to try and be very direct so that you're able to respond in kind. The trade office in Washington will celebrate its second anniversary this summer. I had asked earlier about the justification. As a teacher I frequently issued report cards. I'm wondering if the minister has provided a report card and if the Auditor General has been called upon to do a value-for-money audit of the effectiveness of the office. If it turns out that in this government's wisdom and through the Auditor General's verification there is value in this trade office, I'm wondering if the minister would comment about future trade offices. Throughout the discussion we've talked about not having all our eggs in one basket, and we've talked, as the minister did, about the need for a global market, a global economy. The obvious government that we have had trade missions to has been China, but the sort of sleeping tiger could also be a description for India. I'm wondering: to what extent has the minister considered potentially, again, as I said, not having a separate trade office but having an office within a Canadian embassy in India to talk about trade possibilities?

9:50

The other area that has been talked about is temporary foreign workers versus landed immigrants. Alberta is definitely the land of opportunity, and the government feels that we don't have sufficient in-province, in-country workers. I would be interested to know to what extent the intergovernmental relations minister has talked to his federal immigration counterpart to facilitate the immigration of the specific needs that we have in this province. Of course, one of the most outstanding needs that we have – and the government has tried to address this through third-way Americanization, privatization – is medical specialists. So I'm wondering to what extent the minister might be working along, as I say, with the federal immigration minister to speed up the process and the certification recognition for medical professionals.

I would very much appreciate having these individuals as landed immigrants, contributing to our taxes and to the quality of our life through the ethnic diversity, more than simply being indentured labourers, basically, being manipulated by not only their foreign government but by less-than-desirable employers working in some of our northern tar sands production areas.

The questions, again, then, to the minister: what kind of evaluation has there been of the trade office? If it turns out that this is a good way to go, in what other countries might we consider opening trade offices? To what extent has the minister been able to discuss with either the federal intergovernmental relations minister or the immigration minister about bringing to Alberta the type of talent where we definitely have a scarcity, such as the medical profession?

Thank you, Mr. Chair.

**Mr. Mar:** Well, Mr. Chairman, I should have thought that the issue of medical professionals would have been raised, perhaps, by the hon. member last week when the estimates of the department of health were before us. I note that at the standing vote time there were only three such members that in fact were in attendance from the Liberal opposition. I will simply say again that I will review *Hansard* to determine any relevant questions that may be specifically with respect to this portfolio.

The issue of trade offices in India, which the hon. Member for

Calgary-Varsity suggested, again, would fall within the purview of the Department of Economic Development. The office in Washington is not a trade office per se. It is co-located with the Canadian embassy in Washington, but its function is not trade per se, although the United States is our largest trade partner, with some \$65 billion worth of material moving to our export markets south of the border. The purpose of the individual, Murray Smith, in our office is to facilitate good political relationships with policy-makers, decision-makers in Washington. He's done a fine job of that. I've outlined already some of the very specific results that have accrued to the benefit of Alberta as a result of his efforts.

With that, Mr. Chairman, I'll take my seat.

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

**Dr. Swann:** Thank you, Mr. Chairman. I would appreciate an opportunity to ask a few more questions about some of the intergovernmental relations with the federal government. It's not clear to me how and in what ways your ministry interdigitates with health and social services on issues like the transfer and equalization and cost sharing, and I would appreciate knowing more about, specifically, the equalization program and what role you play in either changing that relationship or continuing to support it and how you feel that's doing in relation to fairness to Alberta.

Thank you, Mr. Chairman.

**Mr. Mar:** Mr. Chairman, these are very, very important issues for the Department of International and Intergovernmental Relations, also for the province of Alberta as whole. With respect to equalization, fixing the fiscal imbalance, I can advise the hon. member that at this point there are now two reports that have been issued. One report, issued at the time of the meeting of the Council of the Federation in Montreal approximately three weeks ago, was a report that was commissioned by the Council of the Federation that outlined an actual formula for equalization and the equalization program.

More recently, Mr. Chairman, there has been a report that has been issued by the federal government – in fact, it was just this week – and it talks about a process by which provinces and territories and the federal government will be involved in the creation of a program to deal with fiscal imbalance. So at this point, in specific answer to the questions raised by the hon. Member for Calgary-Mountain View, there isn't a formula yet that has been agreed to by the provinces and territories.

There has not yet been a proposal for a specific formula by the federal government. What the federal government has done is set out a process by which they hope to achieve a formula. The main work is done by the Department of Finance. The Provincial Treasurer has responsibility for that, but the Department of IIR is involved at the side as an adjunct to discussions and a policy position that would be taken by the Department of Finance. So we work with the Premier, with the Minister of Finance to move forward on negotiating the position that ultimately is taken by the government with respect to items like fiscal imbalance.

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

**Mr. MacDonald:** Thank you very much, Mr. Chairman. Again to the Minister of International and Intergovernmental Relations. Alberta has used the agreement on internal trade on two occasions that I'm aware of. I'm wondering: in regard to internal trade practices are there any challenges currently under way? Are there

any being considered at this time? In the past we know that there have been at least two, and I'm wondering if the minister could update us on this at this time.

Thank you.

**The Chair:** Hon. minister.

**Mr. Mar:** Thank you. This is a good question from the hon. member. There are some issues involved in the area of internal trade raised as disputes among and between provinces. One of the challenges right now – and this isn't just with the province of Alberta – with dairy producers across Canada is with respect to some of the barriers to trade that on their face appear to be contrary to our agreement on internal trade. Vis-à-vis margarine in the province of Quebec, if anybody in this Assembly has ever purchased margarine in Quebec, you would know that it is not yellow. It is a less appealing white colour as a result of Quebec regulations in that regard.

We are actively working on that. I can't express any optimism or any pessimism about it at this point with respect to being able to improve in this particular area. The province of Quebec has long had regulations as it relates to its dairy industry that may make it difficult to get them to comply with what appears to be their obligations under the internal trade rules.

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

**Mr. MacDonald:** Yes. Thank you, Mr. Chairman. I also have a question for the hon. minister in regard to hosting and other expenses. Certainly, if one were to go to the library and look through the indexed version of the 2005 *Alberta Gazette*, I'm confident that there would be hosting expenses from this department in excess of \$600. Now, I don't see hosting expenses as a specific line item in this budget, but I'm wondering: since we are willing to make public our hosting expenses in excess of \$600, is it possible for the minister to report to the Assembly and the taxpayers of the province all amounts that have been spent on hosting and entertaining by the department on behalf of the province that are under the \$600 amounts? Also, if the minister could provide us a global figure or a total of what was spent. Certainly, we can do that in the *Gazette* on amounts over \$600, but if you could give us a total expenditure of what was spent on hosting and other expenses that are under \$600.

**10:00**

**The Chair:** I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates, I must now put the question after considering the business plan and proposed estimates for the Department of International and International Relations for the fiscal year ending March 31, 2007.

Agreed to:  
Expense and Equipment/Inventory Purchases \$10,691,000

**The Chair:** Shall the vote be reported?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

The hon. Deputy Government House Leader.

**Mr. Renner:** Thank you, Mr. Chairman. I move that the committee

now rise and report the estimates for the Department of International and Intergovernmental Relations.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Peace River.

**Mr. Oberle:** 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, 2007, for the following department.

International and Intergovernmental Relations: expense and equipment/inventory purchases, \$10,691,000.

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

**Hon. Members:** Concur.

**The Deputy Speaker:** Opposed? So ordered.

head: **Government Bills and Orders**  
**Second Reading**

**Bill 38**

**Livestock Identification and Commerce Act**

[Adjourned debate May 1: Mr. Horner]

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

**Mr. MacDonald:** Yes. Thank you, Mr. Speaker. I rise this evening to participate in the debate on Bill 38, the Livestock Identification and Commerce Act. Certainly, there has been, as I understand it, a review of this legislation done. I don't know how comprehensive that review has been, but the individuals and organizations that we on this side of the Legislative Assembly have contacted are satisfied with the process and the legislation as it has been presented by the hon. Minister of Agriculture, Food and Rural Development.

This bill updates legislation and regulations guiding the commercial aspects of the livestock industry. It includes legislation guiding the sale, inspection, and transportation of livestock, including cattle and horses, and it includes legislation guiding the sale, inspection, and transportation of poultry. The act deals in industry and is not related to BSE, food safety, or environment. Certainly, whenever we look at the livestock industry, this industry has been under increased scrutiny by the public.

Bill 38 is designed to update and streamline legislation that, as I understand it, was first drafted when the province was in its infancy. Since that time, of course, there have been a number of amendments with changes that have made this legislation, as I've been told, disjointed legislation. It is difficult to understand, and it is equally difficult to enforce. The new act is designed to address and correct many of these issues through consolidation of three acts into one piece of legislation.

I would be much more comfortable in endorsing this bill if I had the opportunity to have a look at the three-column document that I'm certain is in existence in the Department of Agriculture, Food and Rural Development. I have yet to see that document. Others that we have contacted are confident of its existence.

When we look at this, it looks like a very, very good piece of

legislation, but there are some reasons to be cautious. We have a lot of features in this bill. The livestock identification and ownership: well, this act confirms that placing brands on livestock creates a presumption of ownership and that the inspection process is to assist in ownership identification or determination.

We're looking at another feature, which is the acceptance of other livestock identifiers. This act, as I understand it, broadens the type of identifiers that can be used to identify livestock to include identification devices used under other industry programs such as the Canadian Cattle Identification Agency tags.

There are also features around the bills of sale. This act establishes mandatory content for a bill of sale. Sellers and dealers will be allowed to customize the form of their bills of sale to meet their needs and practices.

Security interest and lien declaration: the act sets out a mandatory requirement that sellers disclose security interests in the livestock they are selling.

Prompt payment for livestock: the act requires all purchasers of cattle and horses to pay within two business days after possession or price discovery, whichever is later. There is protection of a seller's sale proceeds being held by a dealer. There is buyer's protection against conversion lawsuits.

There is standardized documentation.

There are also features to determine purpose and procedures for inspection, inspection sites, dealer licensing, and the livestock assurance fund.

You know, a strong cattle industry is vital to Alberta's economy. The minister has articulated that many times in this House. We know that the cattle industry has suffered as a result of the BSE crisis, and producers have been suffering from the ongoing issues of high input costs and low commodity prices at the farm gate. We should support legislation that will give the industry more efficiencies and, as a result, make it more competitive. But how will this bill affect the family farm in any way? There is a provision that requires payment within two days. I think this should benefit the smaller operators.

There have been many discussions not only on CBC radio but elsewhere in regard to organic producers.

10:10

**An Hon. Member:** The CBC?

**Mr. MacDonald:** Yes, the CBC.

I would certainly think that there is no difference between any type of beef production. Alberta Beef certainly supports Bill 38. Now, as I understand it, not only to the minister but to his staff, to their credit they have discussed this bill with the beef producers. I don't imagine the hon. minister has discussed this with R-CALF. I don't see any reason why he would. [interjections] I didn't hear what the Minister of Environment, the minister with the green shirt, the light green shirt . . .

**Mr. Boutilier:** Mother ship.

**Mr. MacDonald:** Yes. It's a fashion statement, certainly.

**Mr. Boutilier:** Point of order, Mr. Speaker, on my shirt, I think under citation 23(c), (b), and (e).

I take back my point of order on my shirt, the disparaging remark by the member.

**The Deputy Speaker:** There's no point of order.

Carry on, hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Thank you, Mr. Speaker. So we know the importance of the cattle industry to this province, and we know the importance of the value-added chain of that industry. I do have, however, some questions in regard to this legislation. We could perhaps have these questions answered during committee if that is appropriate.

In section 81 there is a time limit on prosecution. "A prosecution for an offence under this Act may be commenced within 2 years of the date of the alleged offence but not afterwards." I'm wondering why the minister and the department picked two years here. I'm curious. We could go into the cupboard and have a look at various statutes in this province, and there would be a wide range of time in which prosecutions could take place. I'm wondering if two years in this case is enough.

Also, in part 4, section 66, there is in this section an outline on tribunal and assurance funds. I would like a detailed explanation regarding this tribunal. I know that all of this is going to be done through regulation, but who are the members that the minister may have in mind to appoint to this tribunal, how many, and how much, if anything, would they get paid? Now, the tribunal is going to have significant power or authority. I note here that "the chair and other members of the Tribunal have the same power as is vested in the Court of Queen's Bench for the trial of civil actions." How is this tribunal going to be selected? How are they going to be paid? How many people will be on there? You know, all this is going to be done in regulation. I would just like to know, and I'm sure other Albertans would as well.

Now, section 88, section 122(4) of the Business Corporations Act. In regard to this could I please have from the minister an example of which corporations are going to be delegated authorities "in respect of the carrying out of a power, duty or function under this Act." If he could provide me with an example, I would be grateful.

Towards the back of this prospective legislation, or Bill 38, is detail on regulations. We're looking at details here for the regulation of prescribed livestock and prescribed livestock products, and the minister may make many regulations. Have the poultry producers or the turkey producers or any other parties that may have an interest in this matter been consulted in regard to this legislation? Certainly, when we look at the poultry industry, it appears to be singled out in this legislation by inspectors. Is there any relationship between the outbreak of bird flu in various flyways in Europe and Asia and this legislation? [interjections] You know, they may laugh across the way. For instance, let's look at what happened in the lower mainland in B.C. in the Fraser Valley, where entire flocks have had to be destroyed.

Now, what exactly is planned with this legislation? Is it to protect public safety? Hopefully, there never will be an outbreak of bird flu. For those members who are interested, we in the North American flyway are protected in some way by the Pacific Ocean on one side and the Atlantic Ocean on the other side. Hopefully, this would not be an issue with this legislation.

Mr. Speaker, those are certainly some of the questions I have at this time. If we have any other questions regarding this bill, Bill 38, I'm confident that the minister will during committee provide an answer for Albertans through this Legislative Assembly.

With those comments, hopefully, Bill 38 will be exactly what Alberta beef producers want and need to make their industry more competitive. Thank you.

#### **Speaker's Ruling Relevance**

**The Deputy Speaker:** Hon. members, the hon. Minister of Environment raised a point of order. Then he withdrew it. Just for the

Assembly's interest, he did cite 23(b), which reads: a member will be called to order by the Speaker if, in the Speaker's opinion, that member "speaks to matters other than . . . the question under discussion." The hon. Member for Edmonton-Gold Bar was speaking about the hon. minister's green shirt, which is clearly not mentioned anywhere in Bill 38. So had the Minister of Environment not withdrawn the point of order, it would have stood.

The hon. Member for Calgary-Varsity.

### Debate Continued

**Mr. Chase:** Thank you very much. I'm sure it was with regard to the green grass upon which the cattle graze that prompted the comment.

I am in support of Bill 38. I just would like some qualifier-type questions to be answered. One of the impacts of Bill 38 is that the bill will streamline the inspection process currently completed by a delegated authority and licensed inspection services. If we go back in time to the first case of BSE, one of the problems in the identification of that case and the subsequent loss of billions of dollars in our global exports was the fact that we didn't have sufficient inspectors. It was, I think, because of a case of elk with CWD that it took three months before the actual BSE was confirmed in the original animal. That original animal that suffered from BSE had come from a farm in Saskatchewan that, unfortunately, a cousin of mine also purchased cattle from, and as a result his whole prized Hereford herd had to be culled.

10:20

What I'm wondering with regard to the CWD is to what extent, if any, this bill considers the testing for CWD. There is a concern, again going back in history, that when we imported elk from the States, within that herd there were cases of CWD that had potentially spread throughout other herds in the province. Along with CWD and the potential of contaminating wild herds, I know that the government has taken some precautionary measures in the southeast part of the province in terms of going after wild deer and testing those deer.

It seems to be somewhat of a catch-22 as to whether the CWD originated in domestic herds or whether it was transferred to domestic herds through the wild animals themselves, and these questions of intertransfer of CWD cause concern. So I'm wondering if the inspection process that's being discussed in Bill 38 deals with that particular concern.

The other concern, again with common potentially transferable animal diseases, is bovine tuberculosis, which apparently a number of the buffalo in Wood Buffalo park suffer from, and apparently that same disease is quite rampant in the herds in the Caribou Mountains provincial park. Ranchers, apparently, in the area of the Caribou Mountains park are concerned about their beef herds coming in contact with the buffalo.

Apparently, buffalo have a little bit of difficulty, I gather, distinguishing the difference between a female cow and a female buffalo. If they have an opportunity, they will take advantage of it. I gather that ranchers are concerned about the spread of this bovine tuberculosis, and that's why they've been calling for the culling of the herd. I'm wondering if the minister can tell me if there's been any development of a test for bovine tuberculosis other than . . . [interjection] Well, it deals with the inspection process, and that's what I'm trying to understand. Again, I'm trying to understand the inspection process. If there is such a thing as a bovine tuberculosis test without a postmortem effect, we could save a number of our buffalo. That's a concern I have.

I also have a concern as to whether we have increased the testing

of our live cattle as part of renewing our trade agreements with Japan. With regard again to the inspection process, have we developed an economic method of BSE testing for live cattle, or is it strictly that we're catching them in the slaughtering process? While they're alive and prior to exporting live cattle, is there any way that we have now of economically creating more testing?

Under Bill 38 it talks about protecting buyers of cattle from debt. It talks about increasing fines and allows fines to be levied on a per-head basis. One of the after-effects of the BSE crisis was farmers being forced economically to abandon their herds. Animals were dying of malnutrition. I'm wondering if to any extent Bill 38 on the per-head basis area and the fines provides any kind of support for farmers and ranchers who are still suffering from the economic effects of BSE.

Another area. I know that the minister has talked about this in Public Accounts. The minister expressed reservations about the CAIS program, and I'm just wondering if Bill 38 offers any recommendations or substitutions for the CAIS program, keeping in mind that this is a city fellow talking to an agricultural expert.

Thank you very much, and to whatever extent the minister can answer these questions, I would appreciate it.

**The Deputy Speaker:** Standing Order 29(2)(a) is available after each speaker from this point on.

Seeing none, the hon. Member for Cardston-Taber-Warner.

**Mr. Hinman:** Thank you, Mr. Speaker. I just have a few points, questions. I haven't been through the bill, the Livestock Identification and Commerce Act, as much as I wanted to, but one of the questions I have for the minister is: do they consider – and I haven't been able to find it anywhere – tattoos for purebred breeders? Often they don't want to put a brand on their cattle. I'm just wondering if that is recognized as an identifier. On page 6 under (n), "identifier" means," it goes through, but it doesn't talk about tattoos.

I'm also wondering about the new electronic tags, if they're coming through. Perhaps it's in here and I've missed it. Are these types of identifiers working for identification in there? It mentions in here freeze branding and hot branding. I've been told by some – and perhaps it isn't practised anymore – about acid branding. Are there any problems with that?

Also, some of the breeders that I'm aware of have been doing their number branding or personal identification on the opposite side of the cattle from where their brand is. For example, if their registered brand is on the left hip, they would put a number brand on the right hip. I'm wondering if that's legal because in here it says that it must be on the same side. I'm wondering if that's new to this legislation or if it's been that way and people haven't been following the legislation.

Other than that, I appreciate the minister bringing these three things under one act and trying to simplify it and bring it together because identification in commerce is certainly important in the cattle industry. I thank him for the efforts of going out to the industry and putting this together and, like I say, hopefully making it simpler, but it's still plenty complicated.

Thank you.

**The Deputy Speaker:** Anyone under Standing Order 29(2)(a)?  
Would the minister like to close debate?

**Mr. Horner:** Yeah, I would.

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

**Mr. Horner:** Thank you, Mr. Speaker. I just wanted to cover a couple of points before we did close the debate to maybe shorten the next phase of this bill.

The hon. Member for Edmonton-Gold Bar mentioned that he would have liked to have seen the three-column document. It's unfortunate that he was not able to attend the briefing session we had for the opposition a few days ago. He would have had opportunity to do that, and perhaps we wouldn't have gotten into all of this discussion about testing and a bunch of other things that are nonrelevant to what this legislation is.

When it comes to animal health, when it comes to protection of the animals' rights and animal husbandry, those are covered in totally separate acts. This has absolutely nothing to do with those. A number of the comments that were raised by the Liberal opposition were based on BSE, CWD, transferability of animal diseases: absolutely nothing to do with this legislation, totally irrelevant to what we're talking about here. I would encourage the hon. member to perhaps obtain the documents that we did send over to the hon. Member for Edmonton-Gold Bar because a lot of that was in there, and it would save you the time of going through the legislation.

10:30

In regard to the hon. Member for Cardston-Taber-Warner the whole idea of bringing the three acts together was indeed to create an atmosphere where we could use these new forms of identification, like the radio frequency ID tag. That's part and parcel of what we're trying to do here: to bring three acts that were done many, many years ago up to the new standard. Indeed, those things are in there, and once we get into some of the other questions in Committee of the Whole, Mr. Speaker, I will perhaps have more to say on it.

With that, I would ask that we call the question, Mr. Speaker.

[Motion carried; Bill 38 read a second time]

### Bill 29 Environmental Protection and Enhancement Amendment Act, 2006

[Adjourned debate May 1: Mr. Agnihotri]

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

**Mr. Tougas:** Thank you, Mr. Speaker. Just a few brief comments on Bill 29. Overall we have to applaud any enhancements to environmental protection in Alberta. I believe that most of this bill provides for a bulking up of existing legislation, particularly in regard to emission controls, trading, codes of practice for low-risk activities, and accessibility to sound environmental information.

As my colleague the hon. Member for Calgary-Mountain View mentioned last night – and I agree with him – the primary area of concern in this bill is in regard to contaminated sites and their management. The Environmental Protection and Enhancement Act requires the reporting and immediate cleanup of spills and accidental contamination when it occurs. Certainly, this is something we can all get behind. The principle of making the polluter pay, not the government and certainly not the people, must be paramount. I understand that the hon. Member for Calgary-Mountain View will be bringing forward a number of amendments in committee to ensure that such is the case and to strengthen this bill.

Albertans have made it abundantly clear that the health and well-being of their environment is of paramount importance. Increasingly we are getting more and more worried about the impact of industrial development in Alberta, particularly at this time of record-high oil

and gas prices and our headlong pursuit of profits. The numbers are quite staggering: over 350,000 oil and gas installations here and over 370,000 kilometres of pipelines, not all of which are in new or in pristine condition.

Alberta Environment has the awesome responsibility of watching over our most precious commodity, and every piece of legislation regarding the environment must be carefully studied for its impact. Albertans have placed their trust in Alberta Environment and the Alberta Legislature, so every piece of environmental legislation must be carefully examined. In amending the Environmental Protection and Enhancement Act and other legislation on the environment, we must guarantee that we do not in any way weaken our capacity to monitor, analyze, and hold accountable those people, companies, and organizations that allow release of contaminants into our environment.

Mr. Speaker, there will be plenty of debate during committee on the nuts and bolts of this bill and how to improve it, and I trust that the government will listen to any amendments in the spirit that they are intended, with an eye toward improving Bill 29, which will ultimately lead to a cleaner and healthier environment.

Thank you.

**The Deputy Speaker:** Standing Order 29(2)(a) is available.

Seeing none, the hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you. In this province value quite often seems to have a dollar sign attached to it. My concern has to do with the environmental ministry receiving half a per cent of this government's budget and being expected with that half a per cent of government budget to provide the protection that Bill 29 is suggesting that it undertake. This province seems to be hell-bent on extraction of resources. The government backpedaled a bit, I'm pleased to see, on the MOSS, the minable oil sands. The former minister that we referred to earlier in discussion, now our representative in Washington, Mr. Smith, from Washington urged the Alberta government to get the oil and the gas out of the ground as quickly as possible because of its economic value.

Albertans have told this government that the three most important areas that have come out in poll after poll after poll are health care, education, and environment. Environment seems to be not only from a monetary standpoint, which is symbolic of the attitude this government provides for the environment, but in terms of practice something that is talked about but not followed up on. I am concerned that in the limited parks and protected areas, the 4 and a half per cent of land use in Alberta, intrusion has been permitted by oil and gas, by forestry, logging, et cetera, that we can't even protect this small percentage of our province.

There has been talk – and I'm sure the drilling rigs are on their way – of the Rumsey ecological area. To what extent the Whaleback will be protected is not clear. There does not seem to be a desire for this government to advance with any rapidity on protecting the Castle Crown wilderness area. While Suffield falls under the federal government's auspices because of the military base, I would like to see Alberta at least setting aside a portion of the land and saying: this land is sacred; no industrial intrusion will be permitted into these spaces.

The hon. Member for Calgary-Mountain View and the hon. Member for Edmonton-Gold Bar and myself have been out to a series of rural forums that were held by land-use concerned individuals about the environmental effect on their groundwater of coal-bed methane drilling. The Minister of Energy said: well, drilling for regular gas and drilling for gas in coal, or coal-bed methane, is very much one and the same. However, as the hon. Member for Calgary-

Mountain View has pointed out, we need baseline testing. The type of baseline testing that's absolutely necessary to protect our water, which the hon. minister so frequently refers to as blue gold, is testing that involves isotope testing. We not only need to know what type of gas is in the water; we need to know the percentages and the types of gas that are there.

We lost our opportunity. The government allowed the economic activity of coal-bed methane to go ahead, and now we're five years behind in trying to track the effects that the drilling has or hasn't had in the Horseshoe Canyon, where the majority of the drilling has taken place. We need to have the scientific expertise to have a form of baseline testing that is comprehensive. We need to have a committee of experts such as Dr. David Schindler, who seems to be in the favour of this government in that he was appointed to the committee to look at remedies to the Lake Wabamun spill. We desperately need that expertise.

**10:40**

This province is out of balance. Economic drivers are sacrificing environmental viability. A First Nations expression is that we borrow this land from our grandchildren. As a grandfather I'm extremely concerned about our economic rush. I'm not the only one concerned about the economic rush. Some people would try and sideline me or label me as a tree hugger. I'm concerned about the long-term effects. I'm concerned about not knowing how vast or how narrow our underground aquifers are. We are rushing into a circumstance that could potentially contaminate those aquifers.

We can't drink oil; we can't drink gas. When I've been out in the rural public forums, I've recounted the story of King Midas, and that sort of works very well with the minister's comment about blue gold. Maybe that's why I think in terms of King Midas. King Midas asked for the power to turn anything he touched into gold. The thing that he valued most was his daughter, and he lost that daughter when he touched her. She turned into gold.

My concern is that we are selling off our future to the highest bidder at this point in terms of the rapidity with which we're drilling without having gone back in time and tried to decide to what extent and to what quantity and what percentage the gas that occurs in water has multiplied. We don't know for the last five years what extent drilling has had on the loss of pressure for wells. Until we have both the past history and a viable baseline testing for future drilling, we are putting the safety of our water at tremendous risk. Coal-bed methane isn't the only risk to water. Water is to an extent a renewable resource, but, as we know, with the glaciers rapidly melting and the demand upon our rivers for a variety of industrial and agricultural usages, we are putting our future water availability at great risk.

In March, when we as a Liberal caucus went up to Fort McMurray, the oil sands companies that we talked to were proud of the fact that they had not taken full advantage of the water allotment that they were permitted to take out of the Athabasca River. As the oil sands expand, more and more permission will be given to draw water from the Athabasca River. The Pembina Institute, Dr. David Schindler, the Parkland Institute, a variety of reputable organizations and scientists have spoken out about the problem of the continued draw from the Athabasca River. We've taken some steps to limit further drawing from the Oldman River, but the government is still willing to do interbasin transfers.

Water is beyond a doubt with air, with land our most important natural resource. People are our most important resource. The future is not being looked into in our out-of-balance economic drive. If we don't take the time to slow down and get it right, we won't have a second time.

When I've spoken to representatives of oil and gas companies in our rural outreach, they've said that they want very definite regulations from the government. They said: give us the regulations, and we'll follow them; we're in this for the long haul. Self-reliance and self-governance isn't good enough. This government has to set the example and set the requirements. Set the bar for any resource extraction companies to meet, and they will meet it. We have examples of companies who are meeting these standards, but we need to raise the bar because water, air – obviously, we can't live without them.

I am concerned that while this Bill 29 starts to address some of the areas, such as abandoned well sites – although it still puts Alberta taxpayers on the hook for the cleanup, particularly of any companies that have gone bankrupt in the meantime – our environment continues to be threatened.

The government does not seem to be particularly selective of where it undertakes an economic activity; for example, the placement of wind energy turbines. While this is the alternative energy we very much appreciate, we question the location in the Cypress Hills where original historic fescue grass exists. We also are concerned about the effect on historic natural grasses where there's a proposed site east of Fort Macleod.

No amount of money, no amount of development, no amount of immediate gratification can pay for the loss of our future and the future of our grandchildren. We need balance in this province. We need the government to recognize that .5 per cent is almost not worthy of discussion. Albertans have been deserted by a government that puts immediate economic prosperity over long-term economic prosperity and over the quality of life and the survival of Alberta as we know it. The environment deserves much better than it is receiving at this time from this government.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Again, 29(2)(a) is available. The hon. Member for Vermilion-Lloydminster.

**Mr. Snelgrove:** Mr. Speaker, to the hon. member. As I listen to his speech, I just have one simple question: have you even read the bill?

**Mr. Chase:** Yes. To respond, I have. In addressing the bill I talked about its shortcomings. I talked about what it contained, I talked about it being a good start, and I also talked about its shortcomings. What it is missing is considerably more important than what it contains, and I am suggesting that the government look at these shortcomings, and within this bill, possibly during Committee of the Whole, we'll try to address its shortcomings with amendments.

Thank you, Mr. Speaker.

**10:50**

**The Deputy Speaker:** Anyone else?

Seeing none, the hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Speaker. I rise with a great deal of interest in making some comments to Bill 29, the Environmental Protection and Enhancement Amendment Act, 2006. I see a great diversity of amendments within this act, six of them otherwise. The scope of the sum total is quite wide, and certainly I do see some merit in at least half of them. Really, I am quite optimistic that with some amendments this bill, in fact, would be a net gain to enhancing and protecting our natural environment here in the province, but I do want to put in that caveat that I do have some amendments to bring forward.

The proposed amendments from the minister here I just want to



make some comments on specific to sections 4, 5, and 6, Mr. Speaker, straightaway. The proposed amendments relating to the minister's right to delegate to any person a great many of the minister's duties and obligations is somewhat disconcerting. Yes, this may give Alberta Environment some flexibility to work closely with environmental experts of some renown, and certainly we have quite a number of excellent experts in many areas right here in the province, but I also am concerned that perhaps there's nothing to prevent this partnering from occurring with environmental experts that are tied to industry. I think the independence of a tribunal or a consulting group is absolutely paramount when we're dealing with the environment, so I would ask: what oversight is available, then, and guaranteed to prevent conflict of interest with this partnership section of this bill?

I know that the Environmental Law Centre has contacted the minister's office to discuss their concerns with Bill 29, which very closely mirror my own concerns and the concerns of my caucus on Bill 29. The Environmental Law Centre recommended a public registry of all delegations and transfers of power as well as guaranteed access to all accompanying documentation: contracts, agreements, such like. Such an amendment would recognize that it was, in fact, beneficial for Alberta Environment to partner with various groups and individuals in certain situations yet at the same time recognize that the public accountability guaranteed by such a registry would help to ensure not only due process and the judicious use of delegation but also the proper completion of statutory obligations. So I will ask the minister then: will he be discussing such amendments relating to the public accountability of delegated powers? This is something that is absolutely crucial to the effectiveness of this part of the bill.

The ministry's government press release announces that "another proposed change will improve programs for reclamation of coal and oil sands mines, and ensure progressive and ongoing reclamation of these sites is promoted and acknowledged." I would like to ask: what exactly is this promotion of reclaimed sites accomplished by this bill? Does the minister propose to promote past reclamation when, according to the Auditor General, the ministry does not obtain sufficient financial security from the current sites to ensure reclamation? We have in the oil sands area some of the very largest sort of waste acreages that you'll find anywhere on the planet, and we have not seen adequate reclamation of tailing ponds and some landfills as well. I'm just not seeing that there's any real incentive for the various companies up there to in fact engage in starting to do effective reclamation, especially of tailing ponds. Perhaps they would if they had a financial assurance that would be submitted before that would somehow force them to engage in reclamation.

I would like to know: why is there so much emissions trading relegated to the regulations part of this bill? There's nothing that we can put into legislation to ensure proper emissions thresholds. If the section 8 purpose is to strengthen emission controls, why are there no controls to be put into legislation? Why are there no details? I think that it is the dominion of this House to put in guiding principles, and when we're dealing with the environment, with air pollution, I think it's incumbent upon us to in fact put those right into the legislation and not leave it to the vagaries of regulation.

So I would ask the hon. minister, please, to clarify what some of these regulations might in fact look like. If we're not going to see them in the law, then I think it's incumbent upon him to at least give us some idea of where he wants to go. What might some of them be? How might they be determined? What's to prevent industry from setting its own thresholds given that the minister may choose to delegate to industry this part of the regulation? We've already seen the fiasco of the alleged Kyoto targets that have been set here

by this government, which aren't reduction targets at all but intensity targets, which are less than meaningful. I don't think we want to head down that same path with this important bill.

Given the extension of reporting and remediation responsibilities backwards to before the EPEA was enacted in section 12 and given that the Auditor General's report from a few years ago found that Alberta Environment was not collecting sufficient security to adequately cover the costs of remediation and that, in fact, in 2004-2005 this problem had still not been addressed after six years of being addressed by the Auditor General: with all of those things in mind I'm just curious to know what this new backwards extension of remediation responsibility actually amounts to. I think that after six or seven years this needs to be addressed in a meaningful way, and I just don't see it happening here in this section 12 of this Bill 29.

I'd like to ask as well: how does the hon. member respond to the Environmental Law Centre's concerns in regard to the reporting of historical releases? Without making the failure to report such releases an offence, it can easily be argued that this amendment has, in fact, no teeth. So I would ask: will the hon. member please consider the amendments proposed by the Environmental Law Centre, with whom I've been interacting quite closely here, especially those relating to sections 227 and 228 of the original act, making the failure to report historical releases an offence?

How about companies that are now defunct? The Alberta taxpayer is often held holding the bag after such a cleanup, and in fact companies are restructuring themselves so that they can disappear or implode or fall into a giant trust hole upon the completion of a project. With the scale and scope of the projects that are going on here now, it would be frightening to think that once they're done, they will simply cease to exist and thus cease to be able to pin any responsibility on them for the huge cleanups that are involved with these energy sites.

Does the hon. member know if the ministry is pursuing the environmental royalty initiative that he proposed here in this House in March, right? I was very heartened to hear it, but I also felt the stinging slap of some unseen force that suddenly removed the hundred million dollar a year concept to build an environmental trust fund, which I found very encouraging but then equally discouraging once it suddenly disappeared.

**11:00**

In the old act, section 112 read something like this: "take all reasonable measures to . . . remove or otherwise dispose of the substance in such a manner as to effect maximum protection to human life, health and the environment." Now the amendment says in the new bit, section 112: to "remediate, manage, remove or otherwise dispose of the substance in such a manner as to prevent an adverse effect or further adverse effect."

While of course we recognize that there are a wide variety of techniques or technologies resulting in reclamation of polluted sites, the original section, in my mind, seems much more demanding than the proposed amendment. I would ask the hon. minister: what, in fact, prompted the language change in this section, and what does it represent substantively, if you please? Why not require or continue to require this maximum protection of human life, health, and the environment as well as remediate, manage, and otherwise remove the substance in a manner to prevent the adverse effect? If you stick those two together, the amendment I think then would be strengthened in remediation responsibilities rather than watered down. That would be my suggestion for that bit there.

Finally, what do the amendments to section 146 of the original act actually propose to do? Will your average person living in this

province actually have better and freer access to information, or does this act restrict information? What do the changes allowing the Lieutenant Governor in Council to make regulations concerning the access to information actually mean? Why do they seem limited to the progressive reclamation sites?

Mr. Speaker, those are my observations that I would like to bring up at this point in time in regard to this bill. I do have lots of specific comments on some of the language in each section, which I will reserve for the next reading. As I say, there are a couple of sections that I think deserve some amendments.

All of those things being said, at least we do have an environmental bill that has come up. Considering the wilful ignorance that I think takes place in regard to environmental protection in this House, I find that I have to look for some small signs of hope in the midst of everything else to suggest that we are addressing environmental protection and enhancement. Bill 29 does do that, so that gives me something to at least hang my hat on.

Thank you for the opportunity to make comments.

**The Deputy Speaker:** Anyone under Standing Order 29(2)(a)?

Seeing none, are there others?

The hon. Member for Cypress-Medicine Hat to close debate.

**Mr. Mitzel:** Thank you, Mr. Speaker. I've listened very carefully to all of the comments, concerns, and questions from all of the members that have spoken to this bill last night and tonight. I can assure you that I will be answering those questions, and I will be answering them when we go into Committee of the Whole. With that, I'd like to call the question.

[Motion carried; Bill 29 read a second time]

head: **Government Bills and Orders  
Committee of the Whole**

[Mr. Marz in the chair]

**The Chair:** I'd like to call the committee to order.

**Bill 28  
Local Authorities Election Amendment Act, 2006**

**The Chair:** Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Calgary-West.

**Mr. Liepert:** Thank you, Mr. Chairman. I'm pleased to rise tonight in Committee of the Whole on Bill 28, the Local Authorities Election Amendment Act, 2006. I just want to take a few minutes to respond to some comments made by members of the opposition during second reading. The Leader of the Official Opposition stated during second reading:

For democracy to have legitimacy and for elected members to have legitimacy themselves, the citizens [and] the voters in any society need to have confidence that their election processes and mechanics are working properly. Unfortunately, those election processes and mechanics broke down pretty badly in the last municipal election in Calgary.

Well, as so often is the case in this House, the Leader of the Official Opposition is wrong.

The election processes in Calgary absolutely worked in the 2004 municipal election. The current process in place caught the attempted fraudulent voting, and there was not one special ballot that was in dispute that made it into the system. The process was caught, and the people have been charged with voter fraud.

Now, while the process worked in detecting the fraudulent ballots, the process that the returning officer was to follow wasn't as clear. So one of the changes being proposed in this bill is an amendment which will have a person appointed by the Minister of Municipal Affairs make a determination on those special ballots that were set aside by the returning officer, and this will help close the gap in that process.

Mr. Chairman, the Leader of the Official Opposition also expressed concern that the bill allows too much discretion to local municipalities. Again, I've heard in this Assembly the Leader of the Opposition criticize the government for treating municipalities like children, and now he says we shouldn't give those municipalities the discretion to customize their own voting process. What works in a municipality of 1 million people is a lot different than what works in a village of several hundred, and our committee heard this request time and time again during the hearings throughout the province.

Finally, the Member for Edmonton-Beverly-Clareview had concerns during second reading around the process of special ballots and whether direct contact is made by the returning officer with the person requesting the special ballot. The process in this legislation regarding special ballots will mirror what is currently in the provincial Election Act. Therefore, special ballots could be requested by e-mail, and there would not be direct contact. However, the important thing for the member to remember is that the special ballot only has importance when it is returned. He should be aware that when a person requests a special ballot and returns it, he or she must also sign a declaration similar to what is signed when voting in person. That declaration is a legal document, and if it is determined to be fraudulent, then appropriate court action will occur, as in fact it did in ward 10.

All of these changes are designed to enable as many people as possible to participate in municipal elections. Both members that I referred to this evening mentioned in their remarks the concern about the low voter turnout. Our committee was also concerned about that and cognizant of the fact of that when it recommended many of the changes in the proposed bill.

With those few comments, Mr. Chairman, I look forward to discussion in Committee of the Whole. Thank you.

**The Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chairman. I rise with some interest to speak on some of the specific elements of Bill 28, Local Authorities Election Amendment Act, 2006. I certainly have reason to believe that this is a utilitarian and perhaps even somewhat progressive piece of legislation, that seeks to enable council elections to function in a more smooth and reasonable way. Certainly, we are as a caucus with the New Democrats considering tentatively supporting the legislation. I just want to look at some of the specific language that this bill has and try to look for some clarification and ask some questions. That sounds like fun.

**11:10**

Starting with page 1 of the bill and talking about "presiding deputy," this presumes to mean a person "who has been appointed as a presiding deputy pursuant to section 14, by a returning officer." Mr. Chairman, the creation of this new position begs the question: why is it needed, and what exactly is this new position addressing? It seems to me that it's already covered somehow, but perhaps I'm not seeing something that the authors could illuminate for me.

Section 10 of these proposed amendments reads, "A presiding deputy shall carry out the duties of a presiding deputy under this Act and any other duties that a returning officer assigns to the presiding

deputy.” This doesn’t really clarify why the position is needed, in my mind. Obviously, we can assume that it is to give the returning officer something to look like the eyes and ears on the ground, I suppose, and allow the returning officer to be in more than one place at one time and address several issues in a more timely fashion. Perhaps the hon. member could give me a little additional information on that section, and we’d be happy to accommodate for that.

On page 2 it says: give unto the elected authority “the power to pass bylaws and resolutions.” Okay. This gives more sort of regional and jurisdictional flexibility, I suppose, to address needs that may arise in regard to special ballots; for example, when they must be received by and whatnot, opening of polls, and posting of voting instructions, I would presume in other languages as well. I don’t know. So that looks fine.

[Mr. Rogers in the chair]

Page 3 deals with impartiality.

- 13.1(1) A returning officer must be independent and impartial when performing the duties of a returning officer.
- (2) No local jurisdiction, its officers or any other person shall obstruct or attempt to influence the returning officer in the carrying out of the duties of a returning officer.

The specification of impartiality seems to me a little bit odd given that it’s so obvious. You know, there haven’t been any accusations of partiality in recent years. However, many of the amendments being proposed here reflect the desire to anticipate potential problems, so I guess that, really, it can’t hurt.

Just pursuant to this impartiality section, though, if you do want to mention it, then I think you have to have measuring sticks by which to look and see if someone is, in fact, impartial. Do we look at, say, the associations of that individual, perhaps potentially being a relative of a candidate or perhaps a member of a certain political group or what have you? I mean, these things are perhaps what we should look at not just municipally but provincially in terms of returning officers because, of course, if it is even perceived, like if someone is married to someone who is a member or an executive of a political party and then is a returning officer, then I think that the potential for a perceived lack of impartiality is there. I guess we might as well take it the whole nine yards if that’s the way we want to go.

Pages 4 and 5 talk about a person being not eligible to be nominated as a candidate in any election under this act if on nomination day the person has been convicted of an offence under the Election Act. Okay. That’s pretty straightforward. Prohibitions in regard to official agents and scrutineers as well: that’s got no problem at all.

Page 5 specifies that nomination forms must include “the name, address and telephone number,” and I presume that this is the candidate’s campaign manager. But what if the candidate doesn’t have a campaign manager? We might want to suggest that this section read, perhaps: if applicable. If someone maybe doesn’t have an official agent or what have you, then it’s not an issue.

On page 5 again it talks about the minimum number of electors required to sign the nomination of a candidate. That number must be at least five and not more than 100. The maximum used to be 25. Why is it changed from 25 to 100? What’s the purpose of this? Are we serving the best interests of accessibility and democracy to increase that by such a large amount?

Page 6 talks about clearing up something about candidates’ responsibility for the actions of their campaign workers. The imposing of liability, though, Mr. Chairman, on candidates for the

doings of campaign workers is very contentious and I think is perhaps a little dangerous. In that ward 10 case the candidate had to resign her seat and did not face charges, but five of her campaign workers were charged. I don’t know; perhaps we are opening a can of worms here that is beyond the ability of legislation to deal with. A court of law might be better suited to deal with these sorts of goings-on, cheating and whatnot, in a campaign.

Pages 7 and 8 talk about the languages section. I don’t see a big problem with that, but I guess I would ask the question: will the province, Municipal Affairs, be responsible for the procurement and translation of instructions? I’d be curious about that.

Page 10, I guess, is a bit peculiar because it says that notice of a bylaw to be passed under section 53 must be circulated in one newspaper publication or mailed directly to every residence. I would just like to perhaps highlight the idea that the section should say something like “a major newspaper” because, of course, there are many newspapers around, and if you pick something that is not widely read, then perhaps you wouldn’t be giving justice to this section, getting the information out like you should.

Other than that, I guess those are the main areas that I wanted to just point out, looking for clarification from the authors of the bill. My colleague previously mentioned the concerns we had in regard to special ballots, and I think that the hon. member did address that in his comments here earlier this evening, so that’s good.

Hopefully, we can see some proper administration of democracy at the municipal level here in the province. We certainly have in the past. I think that one of the things that’s important for us to try to encourage is the overall participation rate of voters in municipal elections. Hopefully, having smooth and straightforward regulation that shows transparency and impartiality will help to promote a higher voter turnout in municipal elections in the province of Alberta.

Thank you.

11:20

**The Acting Chair:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much. I want to hand out both bouquets and beefs. Under the bouquet I would like to thank the hon. promoter of this bill, who also comes from Calgary, that great city where the Flames will soon win. The bouquet I wish to provide is the fact that such great consultation took place. Eighteen different opportunities were provided to Albertans to comment, question, provide input into Bill 28, the Local Authorities Election Amendment Act, 2006. For that, the hon. member deserves praise, as do the members of his committee.

With regard to the beefs, the hon. member suggested that the problem in ward 10 was caught with great speed, and he suggested that our hon. Leader of the Opposition should have realized the speed at which the difficulties were caught. It took weeks and months before the government finally got involved in the process. One of the reasons they got involved in the process was that a Calgary judge had several questions that were not able to be answered, and the individual whose campaign managers and members subsequently faced court challenges basically pleaded the Fifth, and the expenses associated with a trial and investigation were waived.

[Mr. Marz in the chair]

However, in the meantime, other candidates involved in that election received no financial support, and their court costs in trying to get to the truth were in the \$50,000-plus area. Had the Alberta

government moved in somewhat faster than snail or glacial pace, these expenditures would not have taken place.

I would like to see the same kind of effort, the same type of election improvement concerns that Bill 28 provides for municipalities provided to our province. The need for identification of voters is absolutely a part of the democratic process. In a provincial election as well as a municipal election there should be a requirement for picture ID. The confusion that arose over the mailed-in ballots still has to be addressed to a greater degree, but with the majority of voters showing up to register their votes personally, having at least one picture ID with another accepted form of ID, a health card, whatever, would ensure that the process is, indeed, valid.

In the provincial election the same type of controversy did not exist to that magnitude, but there was definite controversy with regard to what constituted a spoiled ballot in the Edmonton-Castle Downs constituency. Three times the original vote was upheld. Three times the same ballots were gone over, and the same conclusions resulted. However, with a judiciary review the result of the Edmonton-Castle Downs election was reversed.

It would be great if elections were so successful that there was no controversy, that the person who won, Mr. Chairman, won hands down, that there was no doubt about the integrity of the process. This bill goes a long way to improving the municipal process. I would like to see the same type of energy, effort, and scrutiny applied to the provincial process.

Thank you.

**The Chair:** Are there any other questions, comments, or amendments? The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Yes. Thank you very much, Mr. Chairman. I appreciate that, and I appreciate the opportunity to participate in the debate on Bill 28 this evening. Certainly, when we review this bill in committee, it's important that we remember that we must promote integrity and confidence in the municipal election process by setting election standards that result in a more secure and transparent election process. It has been discussed here before that we must acknowledge and encourage the public's role and participation in the election process and ensure that the legislation permits both small and large jurisdictions to respond to their specific needs by permitting some discretionary procedural options within the framework of this legislation.

Certainly, when we're looking at amending the Local Authorities Election Act to make it more secure and transparent, the first issue that comes to mind is the Calgary ward 10 election in 2004. Of course, there was the subsequent review of that incident, and we have this legislation before us. We also have participation by Mr. Clark, the former Ethics Commissioner. The events that led up to this sort of – well, it wasn't really an inquiry, Mr. Chairman. Some members of the government caucus, the Progressive Conservative Party, at one point had advocated for an inquiry, but it was decided that there would be this inspection and that the inspection would get to the bottom of these problems with the ward 10 vote.

Now, we've been through this before in this House, but certainly the allegations that were presented in the ward 10 voting scandal were serious. Whether we had this inspection process or this inquiry or a combination of both through this MLA review committee, we're sitting here this evening in committee discussing Bill 28.

You know, there were statements made. This is a statement from the hon. Member for Edmonton-Riverview. The hon. Member for Edmonton-Riverview's discussions at second reading were challenged earlier in debate, Mr. Chairman, by the hon. Member for

Calgary-West. The hon. Member for Edmonton-Riverview had this to say. This is from the *Calgary Herald* dated Thursday, December 16, 2004, and this is in discussions around the guarantee that the inspection that will be conducted may not be the same as a public inquiry. The hon. member stated, and I quote: this feels like Tory insiders covering up for Tory insiders. End of quote. We can't have a process where the hon. Member for Edmonton-Riverview or anyone else does not have confidence in the system. I hope that this bill is going to protect and enhance municipal elections.

**11:30**

Now, Mr. Chairman, as was previously discussed in this Assembly in regard to this matter, there were a lot of allegations that have led to this Bill 28, but we can't ignore the fact that election officials rejected over 1,200 mail-in ballots for that ward. The person who initially won the election had to resign a short time after that. Under the Election Act we know that no one can supply a ballot to any person or request a ballot in the name of some other person whether the name is that of a person living or dead or a fictitious person. Offences under this act carry a maximum penalty of \$10,000 or six months in jail, so this is a serious issue, and this bill is hopefully, hon. Member for Calgary-West, going to deal with this in an effective manner.

Have there been any other cases in Alberta where there has been election fraud at the municipal level? Well, I can't recall any, Mr. Chairman. Other hon. members of this Assembly may be able to help me. I can't think of any other examples. I can certainly think of an example at the provincial level. This has been discussed in the Legislative Assembly, hon. Member for Edmonton-Ellerslie, and is around the whole issue of special ballots.

We have to be very, very careful about how we administer these special ballots. When we look specifically at section 38 of this legislation, Mr. Chairman, and the special ballots process, the key provision here is that it allows the returning officer to set aside special ballots received that are believed to be in contravention of the act. They can then report the alleged contravention to a person or persons appointed by the minister to determine the validity of the ballots.

This section is a direct response to the ward 10 situation in Calgary. This is a provision designed to ensure integrity in the process and also ensure that the returning officer is not put into a position whereby the returning officer has to police the provisions or has to accept special ballots that they feel are questionable. That certainly didn't happen at the provincial level with my colleague from Edmonton-Ellerslie. It was discovered that there were special ballots that went through the whole system there, and unfortunately the people who had supposedly voted were outside the country and had indicated – I'm not sure, but I think by affidavit – that they were certainly not in the country and did not vote, but someone had somehow used their name to vote. We may make light of a matter like that, but if we go up to the north side of the city, there were three votes that determined an election. So every vote counts, and we should count them carefully. Whether it's 1,266 or 4 or 3, every vote counts.

When we go through this, whether it's section 32 or section 33 or section 56, this bill will certainly strengthen our process.

As I understand it, the city of Edmonton has had a look at this legislation. They expressed no concerns. The AUMA was also contacted. They were involved in the consultation process and expressed no reservations about the content of this bill. This bill leaves the decision-making in the hands of the local authorities. This respects municipal authority and autonomy instead of prescribing rules to them like they are children of the province. This

bill, I think, will go a long way to ensure the integrity and confidence in the election process at the municipal level with respect to the autonomy of municipalities.

Now, with that, I would like to remind all hon. members of this Assembly – and I'm sure they all are keenly aware of this – of the fixed election dates that occur on the municipal calendar. This seems to work very well for the municipalities, and I think it would work equally well for this Assembly, Mr. Chairman. There's no one challenging me on relevance, but we're in committee, and I'm allowed a certain amount of leeway in discussion of this bill. Certainly, I would encourage all hon. members as they review this legislation to be mindful of the fact that there are set, fixed election dates at the municipal level. I think, even in light of the hour we should consider that at this level of government as well. I think it's a step in the right direction, and when we talk about promoting the integrity and confidence in the municipal election process, we should talk also about promoting the integrity and confidence in the provincial election process. That would certainly be one way of achieving that.

This bill unfortunately doesn't go to any length to encourage more citizens to participate in the election process. Certainly, Mr. Chairman, when we look at the press release that was issued regarding the recommendations of the Local Authorities Election Act review and the fact that the minister accepted recommendations of the MLA committee and the fact that the committee recommended that the amendments which are reflected in this bill be made prior to the 2007 general election, there is no information, particularly when we think about the campaign process, about how we could encourage or increase the voter participation rate at the municipal level. It is part of this bill, and it's a part of this bill that's absent.

How do we do that? Australia, Mr. Chairman, has some tough laws to encourage voter participation. You have to vote. I don't know if we need to do that here, but there has to be a way to encourage citizens to exercise their democratic right, not only at the provincial level but certainly at the municipal level.

Maybe October is a bad time to have the elections, but in the cities people are not voting in large numbers. If it was predominantly a rural province with no large urban centres, well, we could say that farmers don't have the time in October because they're busy getting their crops from the fields, and they wouldn't have time to listen to the campaigns, maybe attend a forum, and then exercise their vote. But that's not the case. In urban areas there's no reason in the world why people can't take half an hour out of their day, if they're eligible, and vote. Voter participation rates are going down, down, down. There is no attempt in this bill to stop that decline and reverse it.

**11:40**

Mr. Chairman, I'm having a good look at this. There is no indication that this matter has been considered. Certainly, I'm not going to be proposing an amendment at this time to Bill 28 to try to fix that, but it is something that this House should consider. How do we improve the voter participation rate at the municipal level? I think it's about time we did this. If the hon. Member for Lacombe-Ponoka has any thoughts on this – or maybe it has been discussed. I understand that the hon. Member for Vermilion-Lloydminster was also involved in this committee. Perhaps he could assist this House and give us an update regarding this and if this issue was discussed at all. There are a lot of recommendations here, and we are implementing most of them, from what I can see, but this is one issue that I think warrants further discussion by this House.

With those comments at this time on Bill 28, Mr. Chairman, I will cede the floor to another hon. colleague. Thank you.

**The Chair:** Are you ready for the question?

**Hon. Members:** Question.

[The clauses of Bill 28 agreed to]

[Title and preamble agreed to]

**The Chair:** Shall the bill be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

### Bill 32

#### Human Tissue and Organ Donation Act

**The Chair:** The hon. Member for Calgary-West.

**Mr. Liepert:** Thank you, Mr. Chairman. Very briefly, there were a couple of questions posed by the members for Edmonton-Centre and Edmonton-Glenora during comments in second reading debate, and I'd just like to quickly touch on those.

First of all, the Member for Edmonton-Centre expressed some concerns about whether the act will ever be proclaimed. I guess that I would like to assure the hon. member that since the introduction of this act I've had a number of groups approach me such as the Alberta Medical Association, and I can tell the hon. member that between these groups and myself we will ensure that the bill is proclaimed, that there's no delay in that.

The Member for Edmonton-Centre also mentioned the cost savings that the system would enjoy if we increased the number of donors, and again I couldn't agree more with her.

The member did raise some concerns regarding the selling and purchasing of tissues and organs, and that is expressly covered in the legislation under section 3(5). The regulations will specifically set out the rules and requirements of any organs or tissues being brought into Alberta for transplantation. These organizations tasked with procuring tissues in Alberta are accredited by the American Association of Tissue Banks or the Eye Bank Association of America, and they will ensure that proper screening and handling procedures are in place. Also, Health Canada has developed safety standards which organ and tissue procurement and transplant agencies must adhere to.

Once this legislation has passed, it will enable the government to require that all organs and tissues used for transplantation in Alberta, regardless of where they come from, come from accredited sources. In other words, Alberta transplant teams can only deal with organizations in other provinces and countries who meet minimum safety and consent requirements.

The member will also note that fines for contravention of this act have been substantially increased, which should also deter any persons thinking about such activities.

The member also raised issues around imminent death, and that has been dealt with in this legislation to the satisfaction of the medical community.

Finally, the Member for Edmonton-Glenora had some very complimentary comments, and I thank him for those. The only question he posed that I could see revolved around the issue of religious consent, and I'll concede that that's one area where he probably has more expertise than me. However, it's my understanding that most major religions encourage organ and tissue donation. Many of them at the very least allow their followers to

make a personal decision in this regard. Religious beliefs vary greatly even within the same religion. My main comment regarding religious consent would be that if someone does object to donation of tissue or organs based on religious beliefs, they should make known to family members and document that expressed wish. In the absence of any such documentation it will be the family which makes the final decision.

With those few comments, Mr. Chairman, I'd be pleased to listen to others here in committee. Thank you.

**The Chair:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much. I want to indicate to the hon. member that I support the bill in all its facets. I would like to make a recommendation to the hon. sponsor of the bill, and that is to consider not only the signing of the Alberta health care card but also allowing the signing of the back of the licence because quite often the documentation that gets picked up is the photo documentation, and if we can capture the desires of the individual to donate their organs and tissues, it doubles the potential of life being passed on.

With regard to that desire, I want to provide the motivation for that suggestion. This letter came from Sandra Ronney, and it's self-evident.

In December, we lost our very healthy, 20 year old daughter, Raelyn Palmer, in a tragic car accident in downtown Calgary. I thought it appropriate that now, during the national awareness campaign for tissue and organ donation, I point out what I believe to be a serious flaw in the Alberta organ donation program.

Raelyn and her sister Megan were both adamant that they wished to donate their organs if anything should ever happen to them. When they received their Alberta Health Care cards, they signed the organ donation consent with me as a witness. How proud they both were to have made and committed to that decision! Both my husband and I signed our cards as well.

When EMS arrived at the scene of the accident in the early morning of December 2, 2005, the only identification they took with them to Foothills Hospital was Raelyn's driver's license, as that ID had her photo on it. I was told by the police officer who attended the accident that this is the only form of identification that usually accompanies accident victims to the hospital. Raelyn always carried her Alberta Health Care card and it was with her at the time of her death, yet her organs were not harvested because medical staff at Foothills did not have the authority to do so without her signed consent form. Because Raelyn died at the scene of the accident, we were not notified of her death until it was too late for doctors to ask permission to harvest her organs. I am truly disappointed that her wishes were not carried out and, every time I hear the advertisement for the current awareness campaign, I think that if we had a better consent system, perhaps her wishes would have been carried out and, through her death she may have saved lives.

My question to you is this: Why can we not include this consent on our driver's license as, I understand, is done in other provinces in Canada? In many cases such as this, EMS cannot afford to take the time to rifle through a purse or wallet for anything other than photo ID. It therefore makes sense to me, that

government issued photo identification such as a driver's license should include such crucial information.

I look forward to your thoughts on this issue.

Best regards,  
Sandra Ronney.

She is a Calgary-Varsity constituent who asked me to share her concerns.

Thank you very much. I would like to call the question.

**11:50**

**The Chair:** Are you ready for the question on Bill 32, Human Tissue and Organ Donation Act?

**Some Hon. Members:** Question.

[The clauses of Bill 32 agreed to]

[Title and preamble agreed to]

**The Chair:** Shall the bill be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

**Mr. Renner:** I'd like to move that the committee now rise and report Bill 28 and Bill 32.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Leduc-Beaumont-Devon.

**Mr. Rogers:** Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 28 and Bill 32.

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

**Hon. Members:** Concur.

**The Deputy Speaker:** Opposed? So ordered.

The hon. Deputy Government House Leader.

**Mr. Renner:** Thank you, Mr. Speaker. Given the progress that we made this evening, I would move that the House now stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 11:54 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]