

[Deputy Chairman: Mr. R. Moore] [10:05 a.m.]

MR. DEPUTY CHAIRMAN: Would the committee please come to order. I don't know where our chairman is; he hasn't arrived. We'll proceed, as the time has now arrived.

First of all, I would like to introduce to you the Minister of Agriculture, the Hon. Peter Elzinga, and the Associate Minister of Agriculture, the Hon. Shirley Cripps. In a moment we will have them introduce their support staff to us.

You have the agenda before you, and hopefully it's in order. If it is, we will now proceed with the approval of the minutes, which you received previously. Were there any changes in the previous minutes?

MR. JONSON: I move approval of the minutes.

MR. DEPUTY CHAIRMAN: Approval has been moved. All in favour? Carried.

Mr. Elzinga, would you introduce your support staff to us so that we know who we have here this morning.

MR. ELZINGA: Mr. Chairman, as this is the first time we've had the opportunity to appear before Public Accounts, we look to you for guidance and counsel, sir, but I could just indicate at the outset our delight at having this opportunity to appear before this body. We're going to do our utmost to respond in a very open and forthright manner to any questions, concerns, or suggestions you'd like to pass on to us. Because of that, we've brought along a number of our senior people to make sure that the answers you receive are detailed.

I'll begin by introducing our deputy minister, Mr. Ben McEwen, who is to my immediate right. We also have the assistant deputy minister for planning, economics, and administration, Mr. Doug Radke, who is immediately behind us. To my immediate left is David Yakabushi, who is the senior financial officer. Also coming forward in a short while to join us here is Mr. Larry Lyseng, who is the budget supervisor. We also have Jim Armet, who is in our ministerial office as our executive assistant.

On that note, sir, I look forward to doing my utmost in responding to whatever concerns and questions there are related to the Public

Accounts inquiries. Our associate minister has a number of people with her also, if I could turn the floor over to her, Mr. Chairman.

MRS. CRIPPS: Thanks, Peter. I welcome this opportunity to be before Public Accounts. It's a little different sitting on this side than on the other side. I guess you get as good as you give.

I'd like to introduce Doug Porter, who is the managing director of ADC, and Larry Bannerman, with the Alberta Hail and Crop Insurance Corporation. Also here is Les Miller, with the Surface Rights Board; Ed Patching, with hail and crop; Dave Schurman, with ADC; and Bard Haddrell, my executive assistant.

MR. DEPUTY CHAIRMAN: I don't know just how you want to handle this, Madam Minister and Mr. Minister. We would like to proceed, if you want to give an overview of your programs prior to members of the committee examining the public accounts for the year ended March 1985.

MR. ELZINGA: Mr. Chairman, with your consent maybe I could just briefly indicate, as I did at the outset, that we're going to do our utmost to be forthcoming as it relates to any information that anybody would like to have. As I'm sure hon. members are aware, Mrs. Cripps has specific responsibilities relating to ADC, hail and crop, weather modification, and surface rights, so those questions and inquiries will go to her and her officials. In addition, for any other questions, Mrs. Cripps and I work together very closely as it relates to the entire Agriculture department. We and our officials are going to do our utmost to respond.

I just have one comment to make as it relates to our department. I'm sure a good number of you have reviewed the Auditor General's statement. We're very encouraged by the report that has come forth and the close relationship our department has developed with the Auditor General in ensuring that our accounting procedures are up to snuff so that we are very conscious of exercising proper stewardship as it relates to the taxpayers' dollars. With that note, I'll defer to you, sir. We're in your hands.

MR. DEPUTY CHAIRMAN: Mrs. Cripps, do you have any overview for your area?

MRS. CRIPPS: Mr. Chairman, I might just say that I'm sure everyone is aware that we're doing a major review of the Alberta hail and crop insurance program in order to make it more responsive to the needs of farmers and to the different conditions throughout this province so that it actually does provide the kind of safety net that we hope, and farmers believe, hail and crop insurance should provide. Secondly, we're embarking on a major review of ADC, its role and mandate, and the financial changes that have happened in agriculture over the last 14 years with a view to more adequately meeting the financial needs of agriculture. We recognize that one of the major input costs, of course, has been financing, so I guess that in terms of the future we're hoping to improve the programs. Today, of course, we're talking about the public accounts for 1984-85, but I think it's important to remember, in the context of the review of that, what we're planning for the future.

MR. DEPUTY CHAIRMAN: Thank you. We have a list of questioners here.

MR. MITCHELL: Mr. Chairman, I would like to begin by thanking the ministers for bringing their staff. It may seem like a small or an obvious gesture or thing to do, but it doesn't always happen. It's very much appreciated by me and, I'm certain, by the rest of the members of this committee that you would put enough stock in this accountability process to bring your staff. I'd like to thank you for that.

I would like to get at the question of evaluating programs. To either minister, or whichever appropriate staff member: what processes does the department have to measure the effectiveness of various programs, to determine which are working well and which aren't and where improvements or priorities should be re-established?

MR. ELZINGA: I could indicate at the outset — and we're more than happy to be forthcoming with a more detailed explanation. Mr. Chairman, could I inquire: can I address you as Mr. Mitchell, or is it the Member for Edmonton Meadowlark? How does it work in the committee?

MR. DEPUTY CHAIRMAN: Either Mr. Mitchell or the hon. Member for Edmonton

Meadowlark. Either way.

MRS. MIROSH: The future leader of the Liberal Party.

MR. ELZINGA: Oh, I thought he was the present leader. [laughter]

There is an ongoing, constant assessment as it relates to the programs we have within the Department of Agriculture. The prime consideration we give is the cost benefit that is derived for our agricultural sector. We're very encouraged by the recent projections that were forthcoming from Agriculture Canada that showed that net realized income — and I stress that they're projections; we won't know until the final figures are in — is projected to increase this year because of the many worthwhile programs we have in place to reduce input costs.

The reason we have these programs is that we recognize that we are competitive in an international market. There is very little that we can do to set the prices. Traditionally the agriculture sector are price takers rather than price setters. To do our level best to assure them of a margin of profit, we've done everything we possibly could within our means to reduce the input costs, and there is a continuous analysis of our various programs.

On that note, if any of our officials or Mrs. Cripps would like to add something . . .

MRS. CRIPPS: In answer to your question, I believe the reviews that we're doing of ADC and hail and crop are key in assessing the effectiveness of the programs and whether they're meeting the needs of agriculture. If that's what your question was directed to, I think that process will answer it. If it's in regards to the specific expenditures, I suppose that's where the Auditor General fits in, and I think we do an ongoing process of that during the budget.

As far as the Surface Rights Board is concerned, I sat on a select committee which reviewed the Surface Rights Act and made recommendations to make that more responsive to the needs of both agriculture and industry, I hope, in 1980, and I believe those recommendations were implemented in 1982. I know we do it in the department. We've got ongoing processes all through the Department of Agriculture which assess, and certainly if the

programs aren't meeting the needs of agriculture, you sure as the dickens hear about it from the farmers.

MR. ELZINGA: I would like to give a detailed response to Grant but . . .

MR. McEWEN: Mr. Chairman, if I may. It's not detailed, but I do appreciate the question, Mr. Mitchell. You've hit right to the core of what I consider the most difficult role for, if you will, the chief operating officer of the department, which is rightly or wrongly what I consider myself to be. It's evaluating programs and getting proper comparisons, one to the other. It's much easier, of course, within a sector than it is comparing what we do in marketing with what we do in extension or what we do in research with what we do somewhere else. So it's difficult, but it's necessary to do this evaluation to make these comparisons. This is a continuing process, as the two ministers have suggested. It's a much more intense and real process with the downsizing, the constraint, which is imposed on all of us in these economic times.

We use consultants somewhat, but if I can put in a commercial, I'm pretty proud of how our assistant deputy ministers, heading the various sectors, work together with a departmental view as opposed to a narrow sector view in playing a meaningful part of prioritizing what we do and how we do it. What we do within that framework or general consideration is try to strike a balance with what we deliver, what we provide, to farm families and food and beverage processors. First of all, we attempt to zero in on those two categories — "clients" is a word that many don't like us to use in government, but sometimes, at least, we do back behind our own doors — and we try to strike a balance between short-term assistance to maintain or enhance income and longer term development areas and thrusts. We feel it's so essential to strike some balance, not to be totally occupied or preoccupied with the short term and forget about the research, the market development, the transportation infrastructure, the credit programs, the longer term credit, and those kinds of things.

Those are the kinds of things I mean that relate to the longer term, because we're in an era of technological change in agriculture very definitely. If we don't consider the efficiencies

that must be brought to this industry in the medium to longer term, we won't have a long term, but of course you have to have a present to have a future. So income of the people we serve is our first consideration, but we do try to strike that balance. Most of the new initiatives that have been highlighted in the last year or so have been addressing the number one problem in agriculture; that is, reduced income.

Thank you.

MR. MITCHELL: Thank you. That's very impressive from my point of view. There's nothing like a single number one as an objective, and income is a very clear-cut objective.

Would it be possible for us to get just slightly more specific? Could we find out, for example, what the department feels is perhaps one of its breakthrough programs and what is one of its least effective programs, the one that it's least happy with at this time?

MR. ELZINGA: Maybe I could indicate to the hon. member that we consider all our programs breakthroughs, and we're not unhappy with any of them.

MR. MITCHELL: That's the political answer, of course. Clearly, they don't all work equally well. I'm not trying to be negative; I'm just wondering if there actually is a process of prioritizing. I guess this is my third question. I'll get to my third supplemental. I'm driving to a point; that is, if you have to respond to these 5 or 10 percent cuts, have you got a process of prioritizing — you know, top third, middle third, and bottom third — to say this is where the cuts will occur? Or is there an overall plan to increase the efficiency of everything so that you don't have to cut anything specifically? How are you approaching that?

MR. ELZINGA: Maybe I can share with the hon. member that we are going through that process, and it's a very painful process, as I'm sure he will appreciate. Since we are in the midst of that process, it's rather difficult for us to be specific. What I indicated to him, even though it might be a political answer, was a very sincere and honest answer in that we do feel that the programs are very worth while; otherwise, we would do away with them. Some of our grants to various worthwhile

organizations might have to be cut back a limited degree to attempt to follow the guidelines that had been issued to us by the Treasury Board.

I should stress, and I'd like to stress it very strongly to the hon. member, that it's a health process we are going through as it relates to analyzing what areas we can cut back on. That's not to say that this is going to be a reality. It's a process that's important, and I'm sure the hon. member, more so than a good many others, has an appreciation for that. It's a very important process to go through so that we can examine just what he has underscored. If there are any so-called areas that are a little less productive than others, now is the time for us to examine them, and it's an extremely worthwhile process to go through.

MR. McEWEN: If I might, Mr. Chairman. I think it is a very helpful requirement to have imposed on us to do this soul-searching and this self-examination. You know, we can't get into detail at this point; we're in the process of discussing in detail with our ministers the considerations that we have made within the department. But I also want to say that in terms of thrusts and priorities we consider our department and the agricultural industry to be market directed. Everything we do relates to assisting the private sector in selling something at a profit, right back to research in terms of the kinds of research activity we undertake.

I know a lot of farmers are tired of being told they have to be more efficient. They're right to sometimes be insulted to hear that, but in the future they will have to be more productive and more efficient. They will have the tools by way of technological breakthroughs to be more efficient. So we have to be at the leading edge of technological change, and it's very real and very rapid in our industry at this point in time. There are many examples I won't get into. So we have to relate to the market, and we have to be with and hopefully even a little bit ahead of our competition on a productivity and efficiency basis.

MR. ELZINGA: If I could seek your guidance too, Mr. Chairman. Not that I don't appreciate answering the questions, because I very much appreciate this opportunity, but we're under the public accounts for '84-85. I believe the hon. member is just going a bit beyond those bounds,

which I don't mind, but I don't want to do anything that's incorrect as it relates to the Chair.

MR. DEPUTY CHAIRMAN: Mr. Minister, you're very correct. We're examining that one year up to March 31 of '85.

MR. MITCHELL: What was your most cost-effective program in 1984-85?

MR. JONSON: Mr. Chairman, the questions I have relate to the section of expenditure dealing with marketing. I think we're aware of the aid that's given to the food processors of Alberta, the establishment of the food processing lab at Leduc, and things of that nature. But I'd like to zero in on what's entitled in the accounts "marketing Americas" and "marketing overseas." I would like to pose as the first question: what structure is in place? Just how does this particular section of the operation work? How is the money mentioned there spent?

MR. ELZINGA: I'm sorry; the hon. member indicated a question related to Leduc, and overall it relates to our marketing department?

MR. JONSON: I'm sorry, Mr. Chairman; perhaps I wasn't clear. I tried to indicate, first of all, that I'm not asking about the Leduc facility or about the Better Buy Alberta program and the aid that we provide there. Further down on the list there are two items: "Market development - Americas" and "Market development - overseas." What is the nature of your operation there?

MR. ELZINGA: Maybe I could take this opportunity just to give you a highlight of what our departmental staff, as it relates to marketing, is involved in. It's a very extensive list. May I say at the outset that I'm proud of the fine work that they are doing in developing markets for our agricultural products.

It's a sort of eight-point list, if I could take the time of the committee to share it with you. Firstly, they do an analysis and identification of specific market opportunities for Alberta exporters; they contact with foreign buyers and sales agents; they offer advice to industry on tariffs, health regulations, pricing, labelling requirements, transportation,

financing, and other key aspects of export sales; the development and execution of outgoing sales missions and incoming buying missions; participation in international trade shows and other promotional activities; setting up demonstration projects and technical seminars in the marketplace; conducting market research and consumer profile studies; and the development of marketing strategies and plans for specific markets.

I recognize that that's all somewhat vague, but I could give the hon. member a couple of specifics. Just this past week we had the opportunity to meet with the deputy chairman of agriculture from the country of Russia, that our market people are very involved in, to ensure that we continue the trading patterns we have developed with them. They wish to also involve themselves as it relates to some of our technical expertise in the agricultural sector, and we're presently working with them.

Also, our deputy minister and myself have had, over the course of this week, discussions with a number of individuals from Japan whereby we're hoping to further develop closer trading ties with them. We've gone so far as to even have an exchange program in place whereby we have an individual from Japan working within our department, and one of our people is working with the Japanese. We are also, along with them, looking at doing some work in Leduc whereby we can do some research on some of the habits related to food products and their eating habits in Japan as we would like to orientate some of the development of our food processing sector so that we can sell our products and they will be quite acceptable in Japan.

Those are a couple of specifics, but in a general sense, they're very involved in the analysis and the further development of the marketing of our agricultural products.

MR. JONSON: Thank you to the minister, through you, Mr. Chairman.

A further question. In the accounts and in the budget that we've just been through, there's the item of expenditure for marketing in a number of departments. Is there any co-ordination among the departments? Is there any co-ordination through our overseas offices in terms of the overall marketing strategy that we have? It would seem to me that it's a situation where you need to develop a strong

punch, so to speak, in terms of seeking overseas markets, and it isn't one where we're well served in having a number of separate entities going off one at a time. I wonder if the minister could comment on just what is done to co-ordinate Alberta's overall marketing effort.

MR. ELZINGA: The hon. member touches on a very key point, and I totally endorse what he has indicated. We are involved very closely with a number of other departments in the co-ordination of our trade activities. I'm sure, though, knowing the hon. member's keen interest, that he will recognize that agriculture is somewhat different from our other trading commodities in that we're involved with perishable goods, so it's important that the individual who is involved in the marketing of the goods is also involved to some degree in the development of them.

With some of our manufacturing products the same does not hold true, and that's why we feel so keenly and are so supportive of maintaining a market development sector within the Department of Agriculture so that we can follow through right from the grass roots, so to speak, with the production of that product to the sales of that product. But in addition, it is thoroughly co-ordinated with a number of departments, both intergovernmental affairs and economic trade.

MR. JONSON: One final supplementary question on this topic, Mr. Chairman. As I understand the area of international trade now, it's of course increasingly very competitive and one requiring a great deal of expertise. Is any of the money in the budget devoted to what I would call staff development? Where do you get your personnel for this particular area? What is being done about facility in other languages, background in the whole approach to being effective in international relations, and so on?

MR. McEWEN: If I might comment briefly on that, Mr. Chairman. We certainly are cognizant of the need of staff development across the department, including in this area. Because this group was formed with the demise, if I can use that term, of the export agency in, I think, '76, most of our senior market development people, our trade officers, are experienced in private-sector food and agriculture marketing. That

doesn't mean that they don't require and get some upgrading, but we bring in experienced people. As an example, we've had three people who had served in the Canadian embassy in Tokyo before coming to Alberta Agriculture. Our ADM of marketing spent 10 years in the meat packing industry with both domestic and export marketing responsibilities. So we require people that are trained and ready to perform. Because we work with private-sector people, we have to have their respect and we have to be able to lead and assist them. We do some development, of course, from within the ranks. It's not an excessive area of expenditure, but it's an area that we're cognizant of.

MR. NELSON: Mr. Chairman, a question to the minister, Mr. Elzinga. The Food Processing Development Centre at Leduc was officially opened in '84-85. I'm just wondering if the industry has been utilizing this facility to the extent that was originally intended.

MR. ELZINGA: Yes, they have been very involved with the use of the excellent facility we have there. Just prior to getting down to some specifics for the hon. member, maybe I could indicate to him, as I believe I indicated to Mr. Jonson, that presently we are working with the Japanese whereby we're hoping to develop some Japanese product or have the research done there for the development of Japanese product so that it will be more salable on the shelves in their stores throughout Japan.

In addition to that, I can share with him that the personnel there that are involved with product development, testing, pilot plant production, and demonstrations are just examples of some of the technology transfer. We've handled over a thousand requests for technical information and assistance from industry itself, and approximately 200 food processing, manufacturing, and food service clients have been served to date.

MR. NELSON: Mr. Chairman, is this facility capable of handling the demand of the private sector within a reasonable time? I know "reasonable" can be a kind of wide-ranging term. Or do we need an addition to the facility to provide that reduced time frame to assist industry in developing their products?

MR. ELZINGA: At this time it's the best

equipped and best staffed facility of its kind in Canada. I can share with the hon. member again, as I've indicated earlier, our pride in the establishment.

The night before last when I was out at a public meeting, an individual, Mr. Youell, who was doing some work with the Leduc station, approached me. He was concerned that we didn't have enough staff to follow through with the project he was involved with. But I guess it's like all areas of government; you're always very cognizant of the fact that you don't want to have people that are not performing in an extremely worthwhile function and at the same time you want to do your level best to serve the needs of our constituents. So it's a really fine line.

If the hon. member has had some concerns expressed to him, we would be happy follow up on them. But they have done a great deal of worthwhile work. I can share with him that the individuals that do come to us vary from small family operations to large integrated operations with varied food product interests. Whether they be specialty foods or snack foods or beverages or confectionary, we work with them all as best we can. But it is a superb facility, one of the best there is around.

MR. NELSON: Thank you. Mr. Chairman, to the minister. Considering the investment we have in this project and the ongoing expense of developing with industry products that can be produced in the open market, what additional plant capacity has been developed because of the efforts of this facility in Leduc over the last couple of years to develop both product and jobs within the province?

MR. McEWEN: Mr. Chairman, if I could comment on that. Again, thinking in terms of the '84-85 public accounts — this is more recent — I don't have the specifics in my mind or in my notes, Mr. Nelson. Bear in mind that the purpose of this centre is to provide for, on a pilot and bench scale, some of each basis, the development of processes and products. Many of these new products will be produced in the existing production facilities of the companies that use the Leduc centre. Having said that, there will be some new products that will spawn new businesses, new production plants and/or increases in size of processing plants in the province. I don't have either in mind or on

paper specific examples. I do know some of the products that have been developed. I don't know that they have created new plants or expansion of plants, but they certainly have resulted in more activity in many of the present processing plants in the expansion and extension of their marketplaces by producing products either better or more economically.

MR. DEPUTY CHAIRMAN: Another question?

MR. NELSON: Could I get a third supplementary? Thank you. Will the department have the ability to provide information relevant to the cost benefit, with the creation of jobs, et cetera, of this facility so that we can examine the cost/benefit ratio in the future as to the worthwhileness of this facility or the expansion thereof?

MR. ELZINGA: We'll do our utmost to get that information for the hon. member. We don't have it at our fingertips, but we'll do our utmost to get it. I should share with the hon. member that it might be somewhat difficult in that we'd have to ask the private-sector groups that are involved with the development of products there to give us some feedback. I can share with the hon. member that the feedback we've received to date has been very positive, but as far as actual figures related to job creation and cost effectiveness, we don't have that at our fingertips. I'll endeavour to get it for the hon. member.

MR. DEPUTY CHAIRMAN: Thanks, Mr. Minister. I'd just like to draw to the attention of members of the committee that we are examining the year ended March 31, 1985. So endeavour to keep your questions relating to that area of operations. I know it's a difficult area for the two ministers because neither one of them were ministers for that period, but they have to answer for it.

MR. MUSGROVE: Mr. Chairman, in going down and looking at these expenditures made in 1984-85, one that happened to catch my eye was 4.3.2. It pertains to 4-H. I'm quite interested in 4-H; they are our future farmers of Alberta. I noticed that there was approximately \$1.5 million spent in that area. Could you elaborate on that?

MR. ELZINGA: Yes, Mr. Chairman, and I'll ask some of our departmental officials to give a more detailed response too. As the hon. member, who is very keenly interested in this area, is aware, we have capital, operational, and administrative grants. We've also involved ourselves to a degree with a facility at the Alberta 4-H centre, and then we have our 4-H program that our department is very involved with. I'm not sure exactly — what vote was that, Tom?

MR. MUSGROVE: It's vote 4.3.2 on page 3.6.

MR. ELZINGA: Maybe I could refer this to one of our departmental people for some specifics, but if you would like, in 1984-85 we gave a one-time capital grant to the 4-H centre at Battle Lake, I believe, of \$125,000. I should share with the hon. member that the calculation of the amount was also based on the amount of support coming from the private sector whereby we contributed \$1 for every \$2 that was contributed by the private sector. In addition, an operational grant was used to assist in the daily operation by sharing 50 percent of the cost of the utilities and insurance to a maximum of \$7,000. If you'd like, I could go through some of those facilities too, but maybe I'd best just turn it over.

MR. McEWEN: Yes, if I could comment. As I comment, I would ask Dave or Larry if they have a breakdown of that \$1.6 million in grants. The rest of it is our own staff and overhead expense. Firstly, I would underscore that the secret to 4-H in Canada, including the province of Alberta, is the work that costs nothing. It's the volunteer work by the leaders and other resource people out there in the rural community, primarily in the farm communities. That's a number you don't see here, but that's what really makes this program work.

As the minister mentioned, the highlight of the year was the opening of the Battle River first phase. Since then a second building, a dormitory building, has been constructed. There are no beds in it yet, so if you go, take your sleeping bag.

Our budget breaks down to grants to the various 4-H clubs, some to the provincial association, and to the foundation. We have a fairly limited staff, including a 4-H resource

person in each of our six regions in Alberta, and a fairly minimal head office resource group. Dave, do you have a breakdown of how much of that went in grants as opposed to other departmental costs, approximately?

MR. YAKABUSHI: I can break it down to various types of grants if Mr. Musgrove is interested. Are you interested in general grants by categories?

MR. MUSGROVE: Yes, I am.

MR. YAKABUSHI: Breaking down the \$1.6 million, in administrative support there was \$225,000 spent; in general administration there was \$312,000; in field services, \$492,000; in program services, \$97,000; in project development, \$219,000; in 4-H extension work, \$140,000; and in 4-H development, \$129,000. That's the general breakdown. If you want more specific information, I can go into the individual details.

MR. MUSGROVE: A supplementary question. Were any of those costs attributed to the involvement of our district agriculturists and home economists?

MR. YAKABUSHI: No, this is strictly 4-H branch only.

MR. MUSGROVE: I see there was approximately \$700,000 that was underspent there. Was that in the capital cost? The budget figure was \$1,656,852; expended was \$1,587,000. I would guess that that reduction in cost was primarily because of a good bid on your capital construction.

MR. McEWEN: It's just a \$70,000 difference, Mr. Musgrove. Do you have an answer, Mrs. Cripps?

MRS. CRIPPS: Yes, I believe that the 4-H Foundation had expected to do the construction of the dormitory in that year and they didn't have enough funds raised. I believe we'd made provision for matching, and we didn't need it because they didn't do it until this last winter. I think that's the reason.

MR. YAKABUSHI: The rest of the \$70,000 is just various small amounts in codes. There was

\$5,000 left in travel and \$4,000 left in materials. It's just various small amounts totalling some \$60,000, not \$700,000.

MRS. CRIPPS: It's my constituency. I'd like to come see it.

MR. ADY: The questions that I have reflect again a little bit on accountability. The year 1984-85, which is the year we're dealing with, was the first year, I believe, that your department got approval to implement various forms of financial training and counselling programs for farmers. How were these programs received? Do you think that they really have been of any benefit to help farmers survive in what they're encountering right now?

MR. ELZINGA: Yes, we feel they are, Mr. Ady. I can share with you that this special program is to run till March 31, 1989. It was fully operational in '85-86. I'll share with you some statistics. I hope the chairman will forgive me, because it was not until '85-86 that the program was fully operational. Basically, what we hope to do is assist farm families who are facing financial difficulties, whether it be from a decline in the price of their commodities or because they are experiencing cash flow difficulties. The program provides an opportunity for farmers to increase their financial management and analytical skills to be more effective in the management of their businesses.

I will close by indicating that there are three prime components, one being the intensive financial management training courses, which also include some actual on-farm consultation. In addition to that, there are on-farm consultation services by practising farmers and financial analysts that offer help to our farmers that are having difficulties in this area. Finally, we offer accounting assistance in training farmers in proper accounting procedures.

MRS. CRIPPS: Mr. Chairman, I might add that ADC also has the enterprise counselling service, where we use people actually in the business to counsel young farmers particularly to help them assess their financial needs and become profitable.

MR. ADY: My second question has to do with

the abolition of the Crow rate. Of course, that has had and will continue to have a lot of impact on our farmers. Your department has taken a very strong position on where they feel the Crow benefit should go. As I understand it, you advocate that it should go to the producer. Can you give me some idea as to what kind of support you have from the farmers for that? Do you feel that that's their position on it?

MR. ELZINGA: Maybe I could indicate to the hon. member at the outset that we are gratified with the support we are getting from the agricultural sector as it relates to the method of payment that we are advocating. We have, as I'm sure the hon. member has done, too, inquired with our constituents on an individual basis as to how they feel. The information we have is that close to 70 percent of the agricultural population supports our position. We're gratified with that, because we feel it would make for a much more efficient transportation system in the event that the farmer himself can determine which system he would like to use.

This was discussed, I believe, in Public Accounts when you had the hon. minister for economic development. We are going to pursue on a very active basis the hope that we can establish some type of project in Alberta so that we can show the benefits not only to the residents of Alberta but to all the individuals across the country and also show them it's not going to have a detrimental impact on the agricultural sector in any other province. We just feel it's going to provide a much more efficient transportation system whereby the farmer himself will determine his own destiny, so to speak, and more specifically he will determine what types of transportation modes he would like to involve himself in in the transportation of his agricultural products.

MR. BRASSARD: Mr. Chairman, on page 62 of the Auditor General's report, your department is one of the few if not the only one which has not received a formal recommendation. Although apparently there was an overstatement of expenditures in the '82-83 report, your department worked closely with the Auditor General's department, resulting in a lack of recommendation in the current one. I think it's indicative of the kind of reaction we have come to expect from your department, Mr.

Minister. I guess I'd like to start off by complimenting you and particularly your staff in reacting to not only things like the Auditor General's report but certainly problems that have cropped up in the marketplace. I'd like to start off with a bouquet for a change.

My first question is directly related to the feed grain breeding program. The department has had an ongoing costly feed grain breeding program. How does the department ensure that the results of this program really benefit the Alberta livestock industry?

MR. ELZINGA: Maybe I could, Mr. Chairman, express our appreciation for the kind words of acknowledgment for the superb work that our departmental people are doing. I could underscore, as our associate minister and myself have done in the past, our gratification for having such a superb group of people to work with. As the hon. member mentioned, we were gratified by the remarks that were forthcoming from the Auditor General. I stand to be corrected by the good people within the Auditor General's area, but I think that's because we've availed ourselves of the expertise within the Auditor General's area to make sure that our bookkeeping procedure is up to snuff.

As it relates specifically to the hon. member's question, I can share with him that — I'm going to refer to the deputy minister to give a more detailed response — as he is aware, some of those individuals within the producing sector have asked us to be forthcoming with this information. I refer specifically to the hog producers. Maybe I could get our deputy minister to give a more detailed response on that.

MR. McEWEN: Thank you, Mr. Minister. Mr. Chairman, we're rather pleased with the commercial success, if you will, that has come out of our Lacombe feed grain breeding station, which is part of our plant industry division. Again, it's not easy to give a quantified, specific answer on the cost benefit to the value that has come from that testing. It's a very comprehensive feed grain testing process. Three varieties of barley have been licensed since we started this program a few years ago. The most recent and, I think, most significant one is the semidwarf variety Samson, which is a very productive variety and responds well to intensive agriculture, responds well to fertilizer

applications, and is being adopted by many, many producers in our province. That's the most significant and the most used of the three that have been produced. Several new barley and triticale varieties are under development. We expect to have more licensed for use in the very near future, Mr. Chairman.

MR. BRASSARD: My second question, Mr. Chairman, deals specifically with drought. The year 1984-85 was a year in which drought severely affected many producers in Alberta. Because of the effect of the drought on hay and forage supplies, the livestock industry was particularly affected. What did your department do about it? How did you react?

MR. ELZINGA: Again, let me respond in a general sense. As the hon. member is aware, livestock producers at that time did not have access to an extensive insurance program. So we implemented a program that would offer assistance to producers in the hardest hit areas of the province as it relates to drought with the prairie livestock drought assistance plan. Financial assistance was given to cattle, sheep, goat, and pregnant mare urine producers within these major areas. If the hon. member would like, I can go into some detail as to what the payout was. We found the program was very well received by the sector that it did affect.

We had also the feed freight assistance program to offset some of the difficulties related to drought. The figures I have indicate that there was a payout of about \$1.1 million whereby there was \$25 per eligible breeding, beef, dairy, and pregnant mare urine production animal and \$5 per eligible breeding sheep and goat that was owned by the producer on August 1, 1984.

MR. BRASSARD: Thank you, Mr. Minister.

MR. BRADLEY: Mr. Chairman, I'm interested in asking some questions with regard to vote 5 under research and resource development. Certainly, in terms of the activities of the Department of Agriculture water and land are very important. The department has an assistant deputy minister on the Alberta Water Resources Commission. I understand that in '84-85 the commission examined Alberta's water resource infrastructure. I was wondering what the department's contribution to that

examination was and if also at the same time you could comment on the department's view of the effectiveness of the Alberta Water Resources Commission in terms of the interdepartmental approach to the resource.

MR. ELZINGA: I could indicate to the hon. member that — if you don't mind, I'll refer more to my notes than I have in the past — during the 1984-85 year the department again continued to have major involvement in assisting farmers and various agencies in developing and managing soil and water resources to improve the productivity and efficiency of irrigation as it relates to agriculture. A predominant proportion of the resources of the research and research development sector was directed towards the referenced activities. These activities included research, information and technology transfer, inventory and monitoring, and grant administration.

I would refer the hon. member — if he wishes, I'm more than happy to pull it out myself — to pages 95 to 104 of the department's 1984-85 annual report. It relates to the particular relevance of the activities of the land classification, project planning, drainage and irrigation branches, and the Irrigation Secretariat.

I can also share with the hon. member that in addition to these line division activities — here I'll have to refer to my learned deputy; they've got some initials here, and I'm not familiar with all these doggone initials yet. Oh, the Alberta heritage trust fund.

MR. MITCHELL: Neither is the Treasurer.

MR. ELZINGA: The Alberta heritage trust fund — they've got "AHSTF" — provided some \$209,320 from the 1984-85 Farming for the Future program to fund four irrigation research projects and \$25 million from the 1984-85 irrigation rehabilitation and expansion program for the refurbishing of our irrigation delivery system. If the hon. member would like, I'm more than happy to go to our annual report. But maybe I can leave it at reference to pages 95 to 104 of the department's 1984-85 annual report.

MR. BRADLEY: Another supplementary in the area of research under vote 5. If one looks specifically at the amounts that were provided

in that year under 5.2, one would get the impression that there wasn't a significant amount of research done by the department. Could the minister review exactly what the research initiatives of the Department of Agriculture were during that period? It may not be entirely in 5.2. There may be other activities — Farming for the Future and other areas — that the department has been involved in. It's just that the way the votes are recorded leaves one with the impression there weren't a lot of resources of the department dedicated towards the research function. I think that's a very important area. Perhaps the minister may be able to comment on that.

MR. ELZINGA: If I could, I'd like to underscore what the hon. member has mentioned, too, as it relates to the importance of research. As he has so correctly stated, we do conduct extensive research through Farming for the Future whereby we have actual research done by various sectors. In addition to that, we have our on-farm programs. I understand that the projects were pretty evenly split between the research and on-farm projects.

If I could put in a plug at this time, too, we will be forthcoming with a proposal related to agricultural research within the next number of months whereby we're hopeful that we can develop further efficiencies in the co-ordination of agricultural research with the establishment of some type of agricultural research institute which would work very closely with bodies such as Farming for the Future, universities, the private sector, and government sources so that we can take greater advantage of the research dollars that are available from the private sector and we can do a greater co-ordination to make sure there is no overlap.

I'll be coming back to the hon. members some time in the future with that proposal. Quite frankly, it's something that is very dear to my heart. Past experiences show that research helps reduce the input costs for the agricultural sector, it helps improve the efficiencies of our agricultural sector, and there is such a significant long-term benefit to it. As it relates to the specifics, I'll turn it over again to our officials.

MR. McEWEN: Mr. Chairman and Mr. Bradley, your point is very well taken. It could be very misleading if one looked at the narrow aspect of

these small numbers under vote 5. The public of Alberta's total expenditure through our department on agriculture research is more in the order of \$20 million a year. There is a publication put out by government that sets out research in various sectors. It attributes the research funded or carried out by the department, by the private sector, by the Ag Research Council, and so on. I would draw that to your attention. I don't remember the name of the publication, but it addresses research in its entirety in Alberta. It breaks it down into private sector and public sector and breaks the public sector down into different agencies.

As an example, the whole feed grain research program is in our plant industry in our production vote; it's not in here. The Farming for the Future, \$5 million as the minister referenced, is a heritage trust fund expenditure; it's not here. The minister mentioned that Farming for the Future is broken down between demonstration and applied research projects at universities and research stations. The number of projects is about the same, but the expenditure is much more heavily weighed to the research as opposed to the demonstration. The demonstration program is growing in popularity and, I think, in value. So certainly don't measure our research activity by the small numbers you see on page 3.7. I'm pleased you raised that point, Mr. Bradley.

MR. BRADLEY: Thank you for that clarification.

One final question under vote 5.4.4, conservation and development. I think this is the place that I should be asking this question. With the severity of the drought which was experienced in the province, we had a significant amount of soil drifting, and perhaps you may be able to comment on the effectiveness of the department's program with regards to soil conservation in the '84-85 year and whether there should be some further initiatives or improvements made in terms of the operation of it. I believe the department funds the agricultural service boards and it's a function through the municipalities. Is there something that should be done to strengthen our efforts in that area?

MR. McEWEN: The minister has asked me to make a few comments, Mr. Chairman, to Mr. Bradley on that question. You're quite right

that the moneys that originate in our department — and they're not big dollars — are channelled through the municipalities, and the agricultural services boards in some cases carry out the activity or partially compensate farmers for roughing up the surface and planting cover crops. This was particularly important in the previous two falls and winters when it was so dry in southern Alberta. I think we were a little bit lucky. There was significant soil drift, and people that were driving in southern Alberta about two years ago could hardly see on some days on certain roads. So we did lose, and it takes years and years to replace the topsoil that is lost. But we have not put many dollars in there. I think the ones we have have been effectively utilized and expended through the municipalities through the service boards. It doesn't seem to be — my fingers are crossed — such a problem or such a potential risk this year with the moisture conditions as they are.

MR. FISCHER: Mr. Chairman, in '84-85 the federal government was very active and made numerous changes in the feed grain policy. Can you tell us the position of our government and what input they had in discussing that issue?

MR. ELZINGA: Let me say at the outset to the hon. member that as he is no doubt aware, the former Minister of Transport had introduced legislation as it relates to the Transport Act. He was hopeful that he could offset some of the difficulties that we experience related to legislation dealing with feed freight assistance and whatnot so that we would have the comparative natural advantage that we should enjoy in this province. We've taken an active role, and I'm more than happy to get into some of the details.

Again, I'll refer it to Ben, if you don't mind, Ben. We've done extensive work on that, and I'm more than happy to mention it in a general sense, but maybe I'll just turn it over to you so we can get into some specifics.

MR. McEWEN: Thanks, Mr. Minister. Again, this is something, Mr. Fischer, we could talk about all day, and I know you appreciate that, but a few quick comments. We certainly feel that the current feed grain policy — which, of course, is a national policy; the legislation that we have concerns with is federal — does not

provide the environment to achieve the required level of efficiency in the whole transportation and marketing system.

There are a number of impediments, and the biggest one is the method of payment of the Crow benefit. This is an impediment to our livestock industry development and to our food processing industry by virtue of the artificially high prices of feed inputs to these industries. There's the lack of real arbitrage within the system because of the artificiality of the various components of the feed grain policy.

There's inadequate market information. We appreciate that the Canadian Wheat Board can't divulge everything about every negotiation, but surely they could give us more information to help producers in making their individual marketing decisions as to how they market and the destination of their feed grain production.

We have problems with Canadian Wheat Board quotas. Feed freight assistance is something that we think is now unnecessary to many recipients. Maybe to the far eastern provinces it should be increased, but other places it should be reduced or modified.

We're not happy with the systems of car allocations and import/export permits either.

There's a whole proliferation, but without question the top of the list, the most fundamental internal problem that we have in western agriculture, in our view, is the way the payment of the Crow benefit is disbursed; that is, directly to the railways. The most fundamental problem of agriculture today is the European and U.S. fight and the U.S. farm Bill that falls out of it and so on. But of that which should be under our own control, that should give us in western Canada without, as the minister said earlier, any real detriment to central Canada, it's the method that the Crow benefit is paid. That's the one that we continue and will continue as long as I'm involved — and Doug Radke and, I'm sure, the ministers; you were involved — to address a change. We're not giving up on that one.

MR. FISCHER: A supplementary. I guess this feed grain policy kind of gets us into market development. But do we as a provincial government get involved in helping to market nonboard feed grains? I'm thinking of other, than the major grain companies.

MR. McEWEN: Yes, we do, Mr. Fischer, and I'm

sure the minister may want to add something more basic. We do work with our canola producers — that's a nonboard grain — in exporting their canola seed. Half of the canola grown is exported; the other half, processed. We very much work with the feed grain industry in the further processing of domestic feed grains fed through livestock in this province, which is the value added that we must all address. The assistance in the export of nonboard grains and oilseeds is not as high a priority with us, and we have to prioritize because our resources, both dollars and people, are limited, as is assistance to the value added. In other words, we concentrate more on the canola oil and meal than we do on the canola seed, but of course we are supportive of the commodity exports as well, more of the value added, and trying to get more of these commodities processed and marketed right here through livestock and through food products in Alberta.

MR. ELZINGA: Maybe I could underscore, too, to my hon. colleague that we've got a few initiatives that will be forthcoming, even though they're indirectly associated with us, to hopefully develop a more efficient system in dealing with the Canadian Wheat Board to the advantage of our agricultural sector. I'm sure the hon. member would concur that there's broad acceptance of our feed market adjustment program to offset some of the detrimental impact of the Crow benefit being paid to the railways. As our deputy has said, we're going to continue as strongly as possible to try to convince not only our federal colleagues but also individuals from the various provinces of the merit of having a pay-the-producer rather than pay-the-railway method of payment.

MR. FISCHER: Do you see our market development with our feed grains getting away — each individual province doing their own more and more rather than having it be national? You mentioned before that the farmers are going to have to produce more and be more efficient and so on, but we have to step up our market development in order to do that. I wonder what we have in place for the future for plans to market this.

MR. ELZINGA: Maybe I could share with the

hon. member that this topic was brought up, too, when we had the opportunity to attend the agricultural ministers' conference a few weeks back in Victoria. It has been our hope for a number of years, and it appears as if it's finally starting to receive some acceptance, that we break down the barriers of balkanization within Canada itself so that those areas that do have natural advantages can make greater use of them, so we don't have one provincial treasury competing against another.

Even though it relates indirectly and not directly, as the hon. member knows, we've been very strong in our advocacy of national programs whereby the advantages that Alberta enjoys related to the production of livestock can be furthered. We are hopeful that we will see less balkanization as it relates to one provincial treasury competing against another. The same thing holds true for us on the international scene. Our federal government is working very actively to remove the artificial barriers that have been established by the European Economic Community and the United States so that we can compete on a more fair basis, because we also acknowledge that with our smaller population base we don't have the resources to subsidize our agricultural sector like some of these other major producers have.

MR. McEWEN: Mr. Chairman, I just want to clarify a point Mr. Fischer brought back that I stated earlier. When I said that farmers must utilize the best in technology to be productive, to be efficient, and hopefully to be profitable, I was referring to individual farmers within the present scenario as we see it. A farmer can't sit back and say, "Well, we've got overproduction in the world, so I'll produce less or I'll produce inefficiently." He'd be out of business tomorrow. But the answer on a worldwide, international, or global basis has to be to get rid of these surpluses. It has to be a rationalization through GATT and/or through other international mechanisms.

I think one of the answers, but it's much easier said than done, is to get some nonproductive land out of agriculture, some land that is too sensitive to erosion and other deterioration to be in cultivated agriculture in the first place. Again, who does it first? We have to do it together as countries or at least as a western world. It's a big picture, and it's one that we have to admit the superpowers have

more influence over than Alberta or Canada, but we are contributing to this rationalization that is so necessary.

MR. EWASIUK: Mr. Chairman, my questions and comments are relative to vote 5. I might say that I've always considered research and development a very important component of any operation, be it in business or, in this case, in the Department of Agriculture. I'm pleased to see that you have indicated to us that this is not the only money that has been spent on research and development, that there is more work being done in other parts of the department.

If we are going to look at agriculture on a long-term basis, as you alluded to earlier, Deputy Minister, there is no doubt that things have to be done at the present time to preserve the long-term viability of agriculture. I note that we spent — and I have no problem with that expenditure — moneys for irrigation. We are improving our irrigation processes and certainly assisting farmers in that area. We drain lands that are quite often subjected to flooding and so on and make viable agricultural land. On the other hand — and I know I can be considered guilty as well — in the name of growth we tend to allow urban centres to annex and grow onto our good agricultural land. I point to the city of Edmonton's decision to annex land around the city, which I consider to be almost class 1 soil. Does the department have any policies in this area? It concerns me a great deal that we talk at times about productivity, but on the other hand, I think we must preserve our good agricultural soil if we're going to be able to provide food for the rest of the world and for our own citizens.

MR. ELZINGA: I'm going to ask the deputy minister to respond again in a detailed way, but I can share with the hon. Member for Edmonton Beverly and indicate to him that in a very short while, a matter of weeks, there will be a study coming forward relating to land use. As the hon. member indicated, I would like to underscore the importance of retaining that prime agricultural land we have. I look to the area that I live in, east of Edmonton, where it's nothing but gumbo soil. We've used our acreage for pasture and for hay, and it's a shame to see that black topsoil being used for purposes other than agriculture. It's an area that we're

involved in, probably not to the degree that we should be, but there will be that land-use study coming forward within a matter of weeks. In addition to that, Mr. Henry Kroeger has been very involved with his commission, which was referred to earlier. Our assistant deputy minister, Mr. Olson, serves on that commission with Mr. Kroeger, because we are concerned with it. I'll ask the deputy if he would . . .

MR. McEWEN: Mr. Minister, a couple of comments. I would like to underline the point the minister made. In the last five or six years we as a department have been much more involved in the development, conservation, and management — all three — of our basic agriculture resources of land, soil, and water. We had rather indirect input up to that point in time.

One of our areas of participation — and the minister has referred to membership on the Water Resources Commission — is membership on the Alberta Planning Board. This question of keeping agricultural land in agriculture as opposed to highways, plants, or houses is one that I'm afraid will be with us forever, but there are guidelines and policy requirements under which the municipalities work. In most cases it's now class 4 land or worse, class 1 being the best, that is taken out of agriculture, if any is, and put into nonagricultural uses. That's an area where Municipal Affairs really has more direct responsibility, but we're involved.

The minister mentioned the study, which we have headed but have certainly not carried out solely, on expanding and intensifying the agricultural land base in the province. The departments of the Environment, public lands, the renewable resources segment of Energy, Transportation, and Agriculture — primarily these — have entered into, at quite a senior level, an intensive look at the feasibility, including the economics, of expanding our land base: how it would be done and how we would make existing land more productive. I think you'll find that a rather interesting report will be forthcoming quite soon. We've looked at a number of ways and tried to compare and evaluate these on economic and other grounds as to the best way or ways to expand our agricultural production, whether it be on new land or intensified use on existing land. I hope that when this is made public in the not too distant future, you'll all read it. Like many

other studies, it may ask as many questions as it answers, but to me it takes a whole proliferation of considerations and at least brings them into a more manageable, easier to further address area of how we increase agricultural production if it's economic to do it.

MR. EWASIUK: Thank you very much. I appreciate those responses. Let me just go another step further. The Department of the Environment does have policies that will deter or stop certain things from happening; for example, if there is an impact on the water table, if it's going to affect a stream, and so on. What I'm saying is merely a suggestion. I'm sure you're looking at this department having some kind of provision that says, "Look, if you're going to encroach onto class 1 soil..." You could perhaps put some kind of stop to that kind of encroachment. That's something else for you to think about.

However, further on conservation — and Mr. Bradley raised it with you earlier — is the importance of soil preservation and the erosion that seems to be happening more now than perhaps it used to in north-central Alberta. I might allude to the area where I was raised. When I was young and lived there, there was a fair amount of vegetation, trees and so on, and very little if any soil erosion or drifting. I can go there now, and as you stated, Mr. Deputy Minister, there are times when I have difficulty with visibility on the roadways because of the drifting. When one looks back and sees what has happened, it's very clear that they have basically cleared out all the trees. There is no vegetation. Well, they grow some alfalfa or other legumes primarily for rotation rather than for drifting.

Does the department have any policies that would encourage farmers to acquire trees, the tree planting process? Some people are doing it. I know you do have some programs. How vigorously are you attempting to stop what seems to me an abuse of our soil, just letting it drift simply because they want to, or probably have to, expand their farming operations? Do you have any programs in that area?

MR. McEWEN: Yes, Mr. Ewasiuk, we do have programs. Certainly we have a shelterbelt tree program. We have a tree nursery in the northeast corner of the city where we provide trees for farm shelterbelt use and replacement.

There's no question that many of us have been indiscriminate in removing trees. If I might, sir, I would suggest that other cultural practices have had a greater negative effect on the erosion and degradation of our soils, such as overcultivation as opposed to more minimal cultivation and cultivating lands that should be left in long-term pasture or maybe should have been left in native pasture in the first place.

I don't want to go on too long on this, but I do want to get a point of philosophy of my own, if I may, Mr. Chairman. I feel very strongly that soil and land are not automatically renewable resources and the public has to be made better aware of this. The farmer himself doesn't have the financial ability to stop the erosion that's occurring, let alone turn back or rebuild some of the degradation that has occurred. I feel that we as a society must take a position that is going to mean putting up significant public dollars to fund some of the conservation practices that will be necessary across Canada — I speak, of course, of Alberta and the west — to stop things like salinization, solonchic occurrences, wind drifting, and the loss of organic matter in our topsoils, let alone improve soils to where they were before. Sooner or later — I hope it's sooner — the public is going to have to bite that bullet and put some real dollars into the conservation of our basic agricultural resource of land, and the same is somewhat true of water.

MRS. CRIPPS: Mr. Chairman, I'd like to supplement that answer. I've long had a pet project, I guess. A farmer pays tax assessment on 160 acres. When you drive down Highway 2, you'll notice that every slough and watershed area is being cleared. I've always felt that if we changed the Act, in Municipal Affairs, not Agriculture, to read "160 acres less 20 acres of watershed," we would tend to highlight the watershed areas, and we would also tend to influence farmers to preserve the watershed because they're not paying taxes on it in the assessment. They feel that the input costs in agriculture today are so high that they have to use every available acre. They are paying tax on it, so there is no encouragement to preserve the watershed.

It's an absolutely no-cost program, because the tax collected by a municipality is going to be the same regardless, because they have the same expenses. If farmers have a quarter

section that has some watershed potential, if we could somehow encourage them to preserve that potential, I think we'd go a long way to resolving that particular issue you and Mr. Bradley raised.

MR. ELZINGA: Mr. Chairman, to the hon. member. I'd like to underscore, too, that we wouldn't want to leave him with the impression that nothing is being done, acknowledging that more can be done. As has been mentioned, we have our shelterbelt program. In addition, we have a number of informational areas that relate to farmers' exercising proper stewardship over their land. It's a difficult area, as I'm sure the hon. member appreciates, acknowledging his background, in developing the co-ordination between the various sectors involved, whether it's our own departments or municipalities, in trying to preserve that prime soil. It would have to be a general policy of a government in concurrence with the municipality and not just a departmental decision.

MR. EWASIUK: Thank you very much. I agree with the associate minister. There is no doubt that some incentive has to be given to farmers to leave those watersheds. Some kind of tax adjustment might do the trick.

Can I have another question, sir?

MR. DEPUTY CHAIRMAN: We have now come to the end of time, but we will take one short supplemental as you have one more.

MR. EWASIUK: Mr. Chairman, again in research and development. I think someone alluded earlier to land throughout the province that's really not suitable for agricultural purposes. Through our research and development we must be doing some work on how we can use this land. The suggestion that I've heard and discussed with other people is the development of market gardens. I understand that at one time in this province, particularly this part of the province, market gardening was a very good business. It certainly has petered away for other reasons. Are any attempts being made to sort of regenerate or rejuvenate that kind of business in this province?

MR. ELZINGA: Maybe I could give the hon. member a short answer and then close with a little statement of appreciation. The short answer is yes. We'll get some more information

to the hon. member.

If I could take this opportunity on behalf of Mrs. Cripps and myself to thank hon. members for their inquiries, their concerns, and their suggestions, and also to indicate publicly, as I have in the past, our deep appreciation to the individuals within our department who do such a superb job and to indicate again my personal thanks on behalf of my associate minister and myself to our officials for coming forward today and taking the time so we could make sure everybody received an informed answer. We thank you for your informed questions.

MR. DEPUTY CHAIRMAN: Mrs. Cripps and Mr. Elzinga, we certainly appreciate the frankness you have shown in answering questions and the fact that you took the time out to appear before us. That goes for all your support staff also.

MR. ELZINGA: Mr. Chairman, I didn't know we had any choice.

MR. DEPUTY CHAIRMAN: Well, we felt you did.

I would also extend our appreciation to Mr. Salmon and Mr. Smith for sitting in again today, and we look forward to your coming back again next week. That isn't to the Department of Agriculture; that's the Auditor General we're talking about.

We have four other speakers that were on the list to get back in. To you people: I'm sure the ministers' office doors are open; you can take those questions directly to them if you have any concern.

MR. ELZINGA: Absolutely.

MR. DEPUTY CHAIRMAN: Is there any other business before we adjourn today?

MR. SHRAKE: I move that we adjourn.

MR. DEPUTY CHAIRMAN: Just before we do, I want to announce that the next meeting is Wednesday, September 24, and the Minister of Transportation will be appearing before us. We'll see you all back here next week at 10 o'clock.

I'll take your motion for adjournment.

[The committee adjourned at 11:32 a.m.]

