

**Standing Committee on The Alberta Heritage Savings Trust Fund Act**

**Monday, August 24, 1981**

*Chairman: Dr. Reid*

*1:30 p.m.*

MR CHAIRMAN: Good afternoon ladies and gentlemen. The committee will now come to order.

This afternoon we have the Minister of Agriculture with us to discuss any concerns members of the committee may have about the programs that come under his jurisdiction. After we have had the minister's statement -- if he has one -- and the questions and answers, I would like to finish off this afternoon by asking about field trips. I've had representations from two members of the committee. I think at the end of the afternoon we'll close the lists. So if you have any ideas you can firm them up during the afternoon.

I'd like to welcome the minister to the committee meeting this afternoon. If the minister has any preliminary statement to make before we go on to the members asking questions, we'd appreciate it at this time.

Thank you.

MR SCHMIDT: Thank you very much.

Mr. Chairman, members of the committee, it's a pleasure to be able to share with you this afternoon three areas of responsibility in which the Department of Agriculture is involved in the use of the Heritage Savings Trust Fund. They fall into three categories: one in the area of research for Farming for the Future, the second in the agricultural sector of the upgrading program for irrigation, and thirdly the operation of the Agricultural Development Corporation as it pertains to its policies of lending and its funding totally from the Heritage Savings Trust Fund.

I'd like to touch first on irrigation for just a moment and review our first year of involvement under the new 15-year water management program for which the Department of Agriculture is responsible for the expenditure of funds for irrigation districts up to a maximum of \$100 million over the five-year program. I had the opportunity to pick out a few of the areas I thought might be of interest to you. It covers first of all the total districts that make up irrigation within this province, roughly the acres involved, the irrigation, and a summary of their expenditures under the new program for this year -- which totals close to \$20 million -- and to touch just briefly on the breakdown of the cropping pattern as it pertains to southern Alberta, and as that compares with patterns in the use of irrigated land. Lastly, the two pages give you some indication of approximate values of production: irrigation versus dryland in that particular part of the area.

In the area of agricultural research, which is being covered mainly through the Farming for the Future program -- each member was given a copy of the annual report. If you go to the back of the report it shows the various areas of research, the amount of funding that was allocated a year ago, and for 1980-81. Suffice to say, Mr. Chairman, that approximately \$1 million of new research can be handled by Farming for the Future each year, and the balance of the funds spent on an annual basis goes towards the honoring of programs that are ongoing, that may or may not finish in that particular year. It runs

about one in five for every financial responsibility for a new program. Five are ongoing at the present time which carry some commitment financially in one way or another.

We're very pleased with the outcome of the research capability and the operation of Farming for the Future. The only comment I would have to make is that if agriculture has any challenge in the future in research, it would appear at this particular time that it won't be dollars that are the limiting factor but individuals to carry out effective research in the various areas, recognizing the diverse nature of research as it pertains to agriculture itself.

Other than Farming for the Future of course we have the opportunity to share in research with the federal people in the various stations scattered throughout the province, and to share even with other provinces on a joint basis areas of research that are of interest to both of us or to all three. I look to the research being done at the University of Saskatchewan in the area of animal sciences, of which we share both the benefits and the costs and the ongoing operation.

Lastly, the responsibility of agricultural financing through the Agricultural Development Corporation and to say in a very broad way the corporation is going on at a natural pace, recognizing that interest rates have climbed dramatically. But the demands on the Ag Development Corporation, other than the large number of beginning farmer loans that appeared at the beginning of the announcement of the new program, are tempering themselves to a number we feel is average. It's manageable. It would appear that the response to the other areas of the Ag Development Corporation, being a lender of last resort, is about average -- recognizing that the numbers of individuals who would qualify for a last resort loan now are greater, recognizing repayment ability, and the differences between high interest at roughly 22 to 23 per cent changes somewhat when the interest rate was basically 15 per cent. So the numbers of people who are now eligible for last resort lending of course have increased. But the operation is going along at about an average pace, recognizing that one would think the demands would be very heavy number-wise, and it hasn't exceeded the good average pace it enjoyed for some time.

Suffice to say that the beginning farmer program, to which we've made some alterations and upgraded early this summer, has been well received. I believe number-wise at the present time we're looking at a number somewhere just under 1,400 new beginning farmer applicants who are now actual farmers within the province since the start of the new beginning farmer program. It's been in operation about a year and a half.

The other interesting fact is that the average loan to the beginning farmer, despite what one would consider escalating cost factors in rising prices and land, hasn't changed that dramatically compared to the original start. The original amount was established for the maximum loan at \$200,000 -- recognizing that there would be some flexibility if we found land prices had increased beyond that amount at which we could handle a normal application -- hasn't changed that dramatically, and the average rate now per applicant is somewhere around \$150,000. So it would appear that the \$200,000 maximum amount is meeting the majority of the applications, recognizing I suppose that one can always exceed any amount one wished to place there by an application.

So that in a very general way, Mr. Chairman, it would appear that the Ag Development Corporation operation is going along as close to normal as possible. We have no indication at the present time that there is any major change in the approach, either by those in the agricultural sector, either in

making application or in repayment. At present it would be rather difficult and perhaps have to wait until this late season is over. If there are any difficulties in land payments themselves they should show up in our normal year about January, recognizing that most land payments have been made through off-farm income. Of course some of those jobs have been curtailed in the energy area. It will be difficult until we have completed the harvest and start off into January before we'll be able to recognize whether or not repayment is being curtailed. The rate of default, under the system of bookkeeping we have in the Ag. Development Corporation, makes it difficult to get a report on spot, sort of week by week. Recognizing this, we are changing the situation so that at any time one can get a fairly accurate reading on either arrears or those in default. Hopefully we will have a complete report of that part of the Ag. Development Corporation very shortly. Upon receipt of that information I would make it available to the members of the committee because I had promised that that would be one part of the report of the Ag. Development Corporation.

So, Mr. Chairman, with those few, brief remarks I look forward to the questions that the hon. members will have in any of the three areas of our responsibility.

MR MUSGREAVE: Mr. Chairman, I'd like to ask the minister a question on Farming for the Future. I anticipate I know what the answer is going to be but I'm going to ask anyway.

In the '79-81 breakdown of project years of funding, 11 per cent was being spent by Alberta Agriculture. I note in the '80-81 that that has risen to 27 per cent. Are they moving funds from other programs that were previously funded by non-heritage fund money? Are they now using heritage fund money in the Agriculture Department? I'm on pages 27 and 29. In the table at the bottom of the page there you'll note it's 11.2 percentage of the total in use for Alberta Agriculture, and when you go over to page 29, in the same column it's 27 per cent, more than double.

MR SCHMIDT: Mr. Chairman, agricultural research over these last two years has changed quite dramatically, in fact changed mainly I suppose in the last five years inasmuch that research in agriculture has, I believe, lagged behind research in any other area, and of course some five, eight years ago interest in ag research to the point that it was accelerated and indeed no different in the province of Alberta. So we find that areas of research were divided basically between the federal approach and the Department of Agriculture.

Once Farming for the Future came into being of course there was agricultural research that is now being funded under the program itself that is not funded by the department directly. There are still funds available for research which the Department of Agriculture budgets for and expends itself. So there is not a duplication, although there are some areas we are now sharing because the funding changes from year to year on the shared basis between federal money that's available for research and those areas where the province shared as well. There are some areas of research that universities were carrying out that because of either time or the lack of funds, Farming for the Future had the opportunity to pick up, and to at least close the total research picture and finish up the project.

In some cases we've been fortunate enough to continue with projects that have been carried on by individual organizations or the university itself, and in many cases we've expanded on them and still share. So the percentage will change from the amount the province is involved with because our commitment

has been increasing year by year. As I stated, it varies federally year by year as to the commitment for that particular year.

MR MUSGREAVE: Mr. Chairman, I have another question. On Agriculture Canada I notice they are one of the three largest participants in the fund. I assume that's because they probably have the staff to do the work. Is this correct?

MR SCHMIDT: Within the province we're fortunate in having some federal research stations, which of course are staffed with federal people. We have entered into shared arrangements not only with those stations but with the use of those people to carry out areas of research, both on a shared basis and some programs which are of interest certainly to the province because of the geographic location itself. So it's that type of sharing arrangement we have with those stations that have been here, and with the manpower. Because manpower for research is one of the toughest problems we face, even more so than the amount of money available.

MR NOTLEY: Mr. Chairman, I'd like to raise some questions with respect to the Agricultural Development Corporation. First of all, Mr. Minister, do you have any figures on what the average beginning farmer rebate is? I note it's up to 6 per cent. It might be 1 per cent, 3 per cent, 6 per cent, depending on the type of work that the individual farmer has done. Are we looking at most of these young people getting the full interest rebate or a portion of it?

MR SCHMIDT: The beginning farmer is getting the total 6 per cent. In other words the basic rate is 12, an earned rebate of 6 per cent. I would have to say I know of none who have not earned their rebate. Because really if you don't earn your rebate, it's almost in default of the loan itself the way it's established. At the present time I'm not aware of any who have not received their rebate. It's done after the fact. In other words it's after it's earned, after the period of one year, that they get their rebate of 6 per cent.

MR NOTLEY: What would be the total number of applications? We've got 1,007 approved. What would be the total number of applications in the 1980-81 year?

MR SCHMIDT: 1,007 is the number that were approved from April 1, 1980, to the last day of March this year. From March till the end of June this year, we have approved 437 more on top of that. So it's roughly about 1,500 new beginning farmers within about a year and a half.

MR NOTLEY: Do we have any figures on the number of people who made application and for one reason or another didn't meet the criteria?

MR SCHMIDT: The numbers would be available of those who have made application who actually have filled out and gone through the route. There is a much larger number of course who approach loans officers and discuss their eligibility in one way or another, which ends up either in the individual making an application or, in many cases if there is no eligibility to start with, the questioning at the beginning with the loans officer may preclude the making of an application. I don't have that figure with me, Mr. Chairman. But the numbers are available of those who make application who are not successful. I could provide that to the committee.

MR NOTLEY: I'd appreciate that, Mr. Chairman, Mr. Minister, because we're looking at what I think is quite a good program as a matter of fact. I'd like to get some sort of handle on what percentage of young people getting into agriculture it services. Because I would think the actual turnover would be something more than 1,000 people getting in a year, but how many more it's hard to say. Are we picking up 50 per cent of the number, 25 per cent of people who are getting into farming? That's the reason I asked the question. I don't know if you'd have those figures. I know that we could perhaps interpolate in part from having the applications and the number that didn't make it through the system. But do we have any figures as to the number of younger people getting into farming, so we have some idea as to what percentage this program would in fact be handling of the sort of client base of people who would be moving into agriculture?

MR SCHMIDT: Mr. Chairman, I think we could come up with some figures that would give us some ballpark figures. I'm not too sure I could guarantee right to the actual number. We do have some rough numbers of those inquiries in the field. Of course they're extensive in number, and they're not broken down. At least I don't have them broken down as to whether they're beginning farmers or whether they're people who are already involved in agriculture making an inquiry. It's quite substantial. But I will gather what information we have, and I'm sure it would give you the indication you're seeking number-wise. You could work out a percentage.

MR NOTLEY: How do our figures now for this particular current year we're studying compare to federal Farm Credit in terms of total loans on a percentage basis? Do we have any figures on that?

MR SCHMIDT: It's difficult in the beginning farmer area because we are now perhaps the sole lender for the beginning farmer, recognizing there is no other comparable program that would give 6 per cent money. Suffice to say that the amount of funds available through Farm Credit of course are expended. They would be in agriculture but not directly tied to the beginning farmer -- maybe farmers who would be expanding their operation. But the beginning farmer program, I would have to think we are the sole operator in that field. So one could only assume that the numbers being approved and established on farms are perhaps the total within the province, give or take a very, very small percentage who would wish to go elsewhere.

MR NOTLEY: Mr. Minister, I just want to check on the interest. I note in the information you supplied and also last year's report that the lending rate applicable to assumptions, 17 per cent, is now 20 per cent. The preferred rate has remained the same at 12 per cent, and the rebate remained the same at 6 per cent. Perhaps you would explain the difference between the lending rate applicable to assumptions and the preferred rate? I take it the preferred rate is a direct loan, where the individual is working with the ADC in a program. What is the 20 per cent?

MR SCHMIDT: Twenty per cent basically -- if you're looking at 12 and 6, or the basic 12 which we have, that's all direct money. The percentages we have here are not shown as guarantees because they're tied to the basic prime and prime plus one. So we've given the 17 and 20 as rates that would be comparable for a similar type of operation, comparing the 12 to the 20, which are both current. The basic lending rate and the difference between what money really

is costing and the rate which we consider is preferred -- ADC set their basic interest rates and are reviewed twice annually. We review them once on April 1 and once at the end of September. That rate of course is fixed at the present time and will stay until the end of September, and will be reviewed for the end of the September rate itself. So basically what you see before you is a fixed preferred, and our subsidies of course come from the preferred rate itself. Our guarantees are over and above that because they're based on prime rates. Agribusiness of course is a separate entity in both cases.

MR NOTLEY: I understand the guaranteed rates have to relate to whatever the bank rate of interest is. But in terms of lending rate applicable to assumptions there really wouldn't be any money going out at this. We're really talking about the 12 per cent and the difference between 12 and 20 per cent is what you're suggesting is a shielding, if you like, by the ADC.

Is there any discussion now? You indicate that every six months the board reviews the 12 per cent. Is the board at this stage reviewing that in terms of looking at a higher rate than 12 per cent? Or are we likely to see a continuation of that 12 per cent for the next six months, I would hope, Mr. Minister?

MR SCHMIDT: Mr. Chairman, the board responsible for the operation of the Ag. Development Corporation reviews the interest rates and makes recommendations to myself as minister. The actual change, if any, in the basic rate itself is done at priorities. That interest rate established for, in this particular case, the Agricultural Development Corporation would be done at that time. The difference of course between what money costs and the subsidized rate has to be budgeted for under the normal budgetary practices for the department itself. Recognizing interest rates as they are today, I can't tell you what the review would bring. The interest rates of course have been relatively high, and we've been very fortunate in keeping it at our basic preferred rate of 12 per cent.

MR NOTLEY: One other question, Mr. Chairman, with respect to the \$8.3 million for agribusiness loans. It's still a relatively modest investment. Are we accommodating all the legitimate applications with that \$8.3 million? It would seem to me that we could in fact be doing somewhat more than that. That's a very, very small part of the ADC overall investment and a negligible part of the heritage trust fund investment itself.

MR SCHMIDT: Mr. Chairman, agribusiness has been under a review this last six months, recognizing that for some time it was difficult to arrive at a decision as to whether it should be small business or agribusiness, and the definition of what applications should fall under the Alberta Opportunity Company or should fall under the Ag. Development Corporation itself. There was little flexibility in the applicants, and it really boiled down to those that there was little argument as to whether they were truly agriculture or whether they were not. We have now reached a fairly flexible position. I think you will see the interest in agribusiness increasing through the Agricultural Development Corporation, recognizing that there were some industries that would have perhaps made use of the Agricultural Development Corporation, but because as an industry they were mixed in both lending through the Alberta Opportunity Company and the Agricultural Development Corporation, it became very difficult to come up with a program of support where you could only help those who happened to have made their borrowings

through one particular phase of the agency itself, recognizing the philosophy of no double borrowing.

The de-hy industry is a good example of that in trying to provide funding in one way or another. We have now transferred all those accounts in the industry that were under the Alberta Opportunity Company to the Agricultural Development Corporation, so we have the funding tied under one government agency. That of course would help for any future moves that we make in regards to agribusiness as it pertains to that industry.

From an agribusiness point of view, there are I guess quite a number of applications, inquiries. Recognizing that business in this day and age runs into a fair amount of money -- in other words, it's not unusual for a business to make application for millions of dollars -- I think you will see more activity in agribusiness in the future than you have in the past as far as ADC is concerned.

MR NOTLEY: Mr. Chairman, just one additional question. On the agribusiness loans, I gather we're talking about guaranteed loans here so the average interest rate would be very close to the market interest rate?

MR SCHMIDT: For guarantees. But there is a portion of direct money that would be available for agribusiness, not in total but for the start of a portion of some of the agribusiness itself. That carries the same degree of flexibility interest-wise as the Alberta Opportunity Company does in assessing small business. So the interest rate for the direct money would be somewhat less than the guarantees because it's based on prime.

MR CHAIRMAN: The hon. Member for Edmonton Mill Woods had a supplementary about the beginning farmers program some time ago.

MR PAHL: Thank you, Mr. Chairman. I wonder if the minister could confirm that it's still the policy for beginning farmer programs that the applicant either has demonstrated or is committed to a full-time farming operation. It's with reference to the numbers of people entering or potentially entering farming. I wonder whether the minister or the corporation has considered the possibility of waiving that requirement. Because if you're into a grain farming operation, obviously there's a period of time during the year when the beginning farmer wouldn't need to be on the farm and he could well be seeking employment elsewhere. Has this been a subject of consideration if that in fact is still the case?

MR SCHMIDT: Mr. Chairman, that is considered at the present time. It's part of many of the applicants who are now beginning farmers, recognizing that there are very few farmers in the province of Alberta of an age group who do not have off-farm income, who have managed to operate both a farm and to carry on a secondary operation. The oil field industry lends itself well: people who are tied to the service industry, wellhead operators, operators who work in gas plants. Those types of things do not preclude an individual from making an application, recognizing that your basic direction has to be in agriculture. The beginning farmer program was not established to sort of meet the needs of a hobby. Those things one would like to do. But it does recognize the diversity that has to be required for off-farm income to get established.

There are many agricultural pursuits that work well with off-farm income and other seasonal jobs. Beef cattle is one of them. One member of the family,

if you're carrying a cow-calf operation, can feed the animals over the winter and it gives one or the other the opportunity to go out and bring in some off-farm income. Grain farming is another. The only one that is very difficult is of course the dairy industry. That's pretty well tied to full-time operation. But we do have that flexibility. It exists now and it does not preclude anyone from making an application or from being a farmer because he or she has off-farm income. In fact it's almost a must.

MR PAHL: A supplementary, Mr. Chairman. If I understand properly then, the criterion is, if you will, 51 per cent or more of one's career commitment, I guess -- it wouldn't be income -- is to farming. Is that the saw-off?

MR SCHMIDT: Well it's a very difficult thing, Mr. Chairman, to tie it to a percentage. But the intent has to be there for the individual, he or she, to become involved full-time in agriculture, recognizing there may be a phasing-in period that could be of any duration. It's difficult to tie it to income because sometimes one's off-farm income for a month or two could exceed the total return from the farm, although if it's worked out in hours of labor, it wouldn't compete hour for hour, but it does for the return.

MR PAHL: Thank you.

MRS FYFE: I want to follow up with a question on interest rates too. In your opening remarks, Mr. Minister, you referred to the lending rates and the high interest rates facing farmers along with any other Canadians who are borrowing at this time. You said more farmers qualified now for this program of lending as a last resort. But I didn't quite understand whether you said there had been an increase in applications from farmers for the direct lending program, or whether the high interest rates are discouraging applications.

MR SCHMIDT: It's an interesting question, Mr. Chairman. The answer I guess is almost as interesting. It would appear the need is there. The agricultural community, because of high interest rates, has made two decisions. Those areas of borrowings that are tied for the daily operation of the farm itself: there seems to have been a sort of individual moratorium on whether they're going to expand; in other words, to be out borrowing money at the present time to expand holdings and, I suppose, in an indirect way for any major purchases that would be involved with large amounts. The number of individuals who would be eligible because of it being a last resort, repayment has to be the key -- it's interesting to note the chartered banks are not turning down that many of their customers who have been dealing with them in the past. High interest rates have not stopped the availability of funding. I think the ag. community itself is sort of self-disciplined in regard to the amounts of commitments they are making. We haven't noticed a major increase. A few applications for consolidation because of the high interest rate in getting all of the areas of lending in one basic package itself have been made to ADC, but no great increase, not as dramatic as one would have thought it would be.

MRS FYFE: If I may pursue this, Mr. Chairman? In the area where young farmers have moved in with a subsidized interest rate, have now perhaps seen the need to expand their operation further, there now is provision, I understand, in the lending program for a phase-in if they wish to increase the size of operation?



MR SCHMIDT: The beginning farmer program when it was announced was one basic program, one application and a once-in-a-lifetime approach. The maximum loan of course was set at \$200,000. It was felt after the first six to eight months of operation that there were sufficient young people who had stated on their original application that they may not have made an application for as much in basic land as a package had they had the opportunity to come back. In other words, they felt that because it was a once only time that they should make the best of that initial application. Recognizing that, we revamped the program this year to let the individual make that decision when they made the initial application. You would not have to utilize the total package in your first submission. It gave the beginning farmers the opportunity to come back for a second kick at the can, so to speak, after perhaps they had spent a year or maybe two years, and then perhaps be even more capable of handling a heavier workload, in the way of adding land or the physical workload in capital expenditures, the basic farm. So that addition was made to the program early this summer.

It's been well received and those people who make their initial application have at that time the opportunity to decide whether they will come back later at a time of their choice. We feel it's been a benefit to the total package and time will be the only factor by which we'll be able to assess later on. But it's been well received so far.

I just want to add one more comment. We had the opportunity to attend a Canada-wide seminar on farm financing, and beginning farmers of course have to be a prime concern across Canada. We're very fortunate that our program got under way when it did, because there are many provinces that now find that because of interest rates they will have to wait for a portion before they can finally get back into a program. One says, how successful has it been? The figures we have show that in 12 months we've managed to drop the average age of farmers in the province by about 10 years. That's quite dramatic when you look at the average age of farmers across Canada. We're fortunate we have a number of young people getting involved.

MRS FYFE: Those are incredible figures.

If I may just follow up with one last question that relates to the debentures the Agricultural Development Corporation borrowed in 1981, a total of \$323.2 million. At the bottom of page 39 in the heritage trust fund report, an addendum says there has been additional approval of debentures of another \$85 million. Would that be for this current fiscal year?

MR SCHMIDT: Yes.

MRS FYFE: I see. That's fine. Thank you, Mr. Chairman.

MR ISLEY: Two questions to the minister. Since March 1980, when the new beginner farmer program was announced, up to the current time, have there ever been any cases where applicants for beginning farm programs or direct lending programs have been turned down because of lack of money in ADC?

MR SCHMIDT: No, never.

MR ISLEY: So there's the immediate access of additional moneys if it's required then?

MR SCHMIDT: No, we're fortunate we're not hampered in the amounts. We've never been limited nor have we had to carry over applicants from one year to the other because of funding.

MR ISLEY: Very good. Question two -- I have a comment before I make the question. In the last six-eight months, at least in my corner of the province, all the hot spots with respect to ADC lending seem to have gone out with the new program, probably some staff changes, et cetera. In other words, things seem to be going very smoothly and efficiently now. Is that true throughout the province at this point in time, or am I just in a fortunate area?

MR SCHMIDT: I'm pleased with the approach. We're fortunate in two ways. Recruiting is difficult in the field of loans officers because we're in direct competition with chartered banks and other agencies of course that are in land development in the agricultural way. So we've had over the period of years the usual vacancies in each area with loans officers. It becomes very, very difficult to service an area because they're dependent upon their individual loans officer for that particular community.

To date we're closer to a full complement than we have been in the past, and there appears to be a lull in the recruiting. In other words, the people who are available to us are of a good, competent nature, and the competition is such that we seem to be able to keep them at their jobs in the field. That, coupled with, I'm sure, a catch-up after the initial announcement and the backlog that had sort of gathered over the period of months waiting for a new beginning farmer program, seems to have gotten to a position where it's a normal application process number-wise. I think across the province we're in a position, although in some areas perhaps some backlog, of being able to handle most applications within a reasonable time frame, some a little longer than we would like to see yet, but it will come with time.

MR ISLEY: Thank you, Mr. Minister, Mr. Chairman.

MR CHAIRMAN: Any more members with any questions for the minister?

MR NOTLEY: Mr. Chairman, just on the question of the overall percentage, if you will. I ask the question with respect to the lending of ADC compared to FCC. Do we have any overall figure on the total demand for credit by Alberta's farmers? How would our figures compare for example to the total of the chartered banks, credit unions, and the treasury branches?

MR SCHMIDT: That figure is available, Mr. Chairman. I don't have it at my fingertips. I have seen the total amount of borrowings to agriculture. It's a fair amount. The amount comparable ADC to Farm Credit varies from year to year, but I would say that we are close, recognizing that we deal with one segment really of the agricultural lending and the Farm Credit has a broader scope. I would say, depending on the amount of money that's available, that we should be running about two-thirds of the amount that is expended in Farm Credit. But those figures are available, Mr. Chairman. I could add those to the other figures which we're going to gather for the members.

MR NOTLEY: Do we have any figures at all for the chartered banks, because with the tight money .#.#.

MR SCHMIDT: I have seen a figure. I could come up with something that would give you a rough idea as to what amounts of money are out there with regard to Farm Credit in total. I think that figure is available in a federal document I've seen.

MR CHAIRMAN: No more questions from the members for the minister?

I'd like to thank the minister for appearing. Before you go I'd like to give you one personal story from my own family. My brother is in farm, estate management in Britain and had a Nuffield scholarship and travelled in Europe and North America about four years ago. He was back this spring speaking to the late Dr. O'Donoghue as well. He said if he was setting up in the dairy farming industry, the one place in the world he would go first would be Alberta. I don't know what that means, but it must mean something.

On behalf of the committee, Mr. Minister, I'd like to thank you for appearing this afternoon and for the information you gave us. Thank you.

MR SCHMIDT: Thank you, Mr. Chairman. I'd like to thank the members. It's been a privilege.

MR CHAIRMAN: Before we adjourn for the afternoon, I'd like to ask the members present if they have any further suggestions on the possibilities for field trips. I've had a list from Mr. Anderson mentioning AOSTRA, Kananaskis, and irrigation projects, or an irrigation project I imagine, and from Mr. Pahl mentioning the children's hospital in Calgary, and possibly the forest nursery at Smoky Lake. Have any other members got any suggestions? This is with reference to the suggestion made a week ago that anybody with any ideas present them by this afternoon, although we will consider others if subsequent to a minister's appearance any specific ideas come out of that. Has anybody else anything they would like to offer at this time?

MR ISLEY: What about the research in Vegreville, Mr. Chairman?

MR CHAIRMAN: It's a bit difficult at this time because of the absence of the official opposition members, but perhaps the Member for Spirit River-Fairview, one member from the government side, and I could go through these suggestions and see what we can do about a priority. I don't think we can possibly fulfil all these suggestions in one year. But perhaps the three -- might I suggest Mr. Pahl who lives in Edmonton, the Member for Spirit River-Fairview, and I -- go over them sometime during the next three days and perhaps make a suggestion at the end of Wednesday morning.

Thank you. I'll declare the committee adjourned until tomorrow morning at 9:30.

*The meeting adjourned at 2:20 p.m.*