

8:30 a.m.

Wednesday, October 20, 1993

[Chairman: Mrs. Abdurahman]

MADAM CHAIRMAN: I'd like to call us to order, please. I'd like to start off by expressing my appreciation to the Hon. Walter Paszkowski, our minister of agriculture, for being in attendance this morning. I will more formally introduce you and ask you to introduce members of your department when we get to that time in the agenda.

Could I have approval of the agenda, please? It's moved by Sine Chadi. Any discussion? If not, all in favour? Aye?

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any nays? I assume the silence means that it's carried unanimously.

Approval of the minutes as circulated for October 13, 1993. Are there any errors or omissions? If not, could I have a motion to accept them as circulated? Moved by Sine Chadi. There are no corrections or errors? All in favour, say aye.

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any nays? It's carried unanimously.

I'd like also to point out to the members and the hon. minister and the Auditor General that there is a conflict this morning with other meetings, so we won't have full attendance of Public Accounts members this morning, unfortunately.

I'd like at this time, once again, to extend a very warm welcome to the Hon. Walter Paszkowski, Minister of Agriculture, Food and Rural Development. I was very pleased that you were able to agree to attend on such short notice. I'd like now to ask you if you'd care to introduce the representatives that you brought with you this morning from the department.

MR. PASZKOWSKI: Certainly. Thank you very much, Madam Chairman, and good morning members of the committee. It's a pleasure to be here this morning to discuss the agricultural ministry's portfolio. Before I get too far into this, though, I'd like to take this opportunity of introducing the members of my staff. To my right is my deputy minister, Doug Radke, and to my left is the president of ADC and Alberta Hail and Crop, Bob Splane. Dave Schurman, Ray Block, Jim Heron, Les Lyster, Roger Marvin of public lands, Ray Bassett, Barry Mehr, Ken Moholinty, Cec Purves, Dr. Ralph Christian, and Larry Lyseng are here. That is our staff that's here today.

With your permission, Madam Chairman, I'd like to make a few brief comments, if that's acceptable.

MADAM CHAIRMAN: Just before we do that, I also want to acknowledge that the Auditor General, Mr. Salmon, is with us this morning and Mr. Andrew Wingate as well.

I'd ask, please, that if staff are answering any questions, they could identify themselves at that time for the benefit of *Hansard*.

MR. PASZKOWSKI: Okay.

MADAM CHAIRMAN: Thank you. You may proceed.

MR. PASZKOWSKI: I'm used to sitting on the other side, Mr. Salmon, so I'm sorry I didn't take the opportunity of introducing you. This is a new experience for me.

MADAM CHAIRMAN: He's part of the family.

MR. PASZKOWSKI: Yeah.

During 1992-93 the agricultural ministry required supplementary estimates totaling slightly over \$8 million. I'd like to outline for the members of the committee the reasons why these additional funds were required. First of all, the Surface Rights Board required an additional \$400,000 to supplement its '92-93 budget. The original budget was for some \$200,000. These funds were required mostly as a result of section 39 of the Surface Rights Act, which states that when an operator fails to pay his rent and the landowner submits evidence of failure to pay, the Surface Rights Board may direct the Provincial Treasurer to pay the amount of the funds to which the landowner is entitled. In other words, as a result of a downturn in the oil industry a large number of oil companies failed to provide leasehold rental payments to landowners in 1992-93. Therefore, the additional funds were required to pay landowners when operators failed to pay the rental fees. To illustrate the downturn in the oil industry, grant payments to landowners in '92-93 totaled \$560,000 and represented 418 applications in the 1992 calendar year. In 1990-91 a total of \$170,000 was paid to 236 applicants. So as you can see, it's almost doubled in the one year, a very dramatic rise, which resulted in the need of additional funding.

The drought conditions persisted in the province during '92-93, and as a result the department required \$2,540,000 in addition to the \$1,475,000 budgeted previously for water assistance programs designated in the drought areas of the province. Most of that was in the northeast regions of the province.

Under the emergency farm water supply assistance program we reimbursed farmers who constructed emergency projects to gain access to water for livestock. A total of \$1,800,000 of these funds was placed in the Engineering Services budget, reference 4.3.6, because that branch was responsible for the administration of the supplementary rural water development program component that's already in place. The remaining \$740,000 was placed in program 5 for producers who hauled water and constructed emergency supply projects to provide water for their livestock. Over the two-year period, 1991-92 and 1992-93, expenditures totaled \$5,645,000, and during that time 1,800 farm dugouts were filled, and over 3,300 dugouts and wells were constructed. In addition, 850 water hauling contracts and 4,600 emergency projects were approved.

Supplementary funding of \$2,900,000 was required for the Alberta Crow benefit offset program for a variety of reasons: continued growth in the livestock numbers, increased use of grain to supplement cattle and sheep rations due to the drought, and reduced pasture and forage supplies. This supplementary estimate increased the funds budgeted for the Alberta Crow offset program in 1992 to \$43,275,000 for a total expenditure in the program of \$44,373,493.

The final supplementary estimate that I'd like to outline this morning is the \$2,217,000 for the red meat stabilization program, which resulted in a total of \$27,200,000 being budgeted for this program. The additional funding was necessary because of a 4.4 percent increase in the number of livestock registered, marking an increase from 4.6 million to 4.8 million livestock and a 6.1 percent increase in cattle premium rates, from \$6.69 per head to \$7.25 per head. The final 1992 expenditure of the program was \$27,342,527.

I'd also like to point out that in preparation for the 1993-94 budget, the department reduced its manpower requirements by approximately 75 permanent positions. These reductions were made during the 1992-93 fiscal year for restructuring the depart-

ment and via the early voluntary options program for an approximate cost of \$3 million. This expenditure was absorbed from funds that became available from restructuring and expenditure reductions.

With this, Madam Chairman, I'd like to thank you for allowing me this opportunity to discuss agriculture with you. My staff will welcome the questions as they come forward.

8:40

MADAM CHAIRMAN: Thank you very much, hon. minister.
Ty Lund.

MR. LUND: Well, thank you, Madam Chairman, and good morning gentlemen. It almost looks like there are more over there than there are of us, but we're very pleased to see you all out this morning to assist in answering our questions.

I'm looking at the Auditor General's report for '91-92, more specifically on page 75, recommendation 22. For the record I'll read what the recommendation is:

It is recommended that the Alberta Hail and Crop Insurance Corporation comply consistently with the insurance contract it has entered into with farmers, or alternatively, develop a new contract that reflects accurately the Corporation's policies and intentions for administering the Gross Revenue Insurance Plan. It is also recommended that the Corporation request the National Committee to provide formal guidance on aspects of the Gross Revenue Insurance Plan that are unclear.

Now, it's my understanding that the gross revenue insurance plan was sort of piggybacked onto the Alberta hail and crop insurance program, and as a result there were some things that were inconsistent, one of them being the acreage that was eligible. Under the gross revenue program you were not to exceed 10 percent of your last year's or an average of the past three years, but that doesn't apply in the hail and crop insurance program. That's my understanding. I'm wondering if there has been a resolve of these uncertainties as to the acreage that is in fact eligible under the gross revenue insurance program.

MR. PASZKOWSKI: The specific recommendations which pertain to the issue of eligible acres were discussed at length by the board of directors of the national committee, the provincial and federal governments, and management. The province of Manitoba elected to discontinue the application of this controversial clause, and Saskatchewan set no acreage limits whatsoever. The agreement gives the province the authority to set maximum limits with the approval of the national committee, and the national committee passed on September 30, 1992, a retroactive resolution regarding minimum acreage, which effectively provides for administrative leeway in this specific area. The federal government did not withhold funds, and the corporation anticipates that there will be no such action in the future.

MADAM CHAIRMAN: Supplementary.

MR. LUND: Thank you, Madam Chairman. My supplementary. That was, of course, one of my concerns leading up to the recommendation that is suggested, that in fact about \$11 million could have been paid that was really not eligible. Did I hear you accurately that the federal government has not refused any payment?

MR. PASZKOWSKI: That's right.

MR. LUND: Okay. I think those are all the questions I have on that one. Thank you.

MADAM CHAIRMAN: Mike Percy.

DR. PERCY: Good morning, Mr. Minister. My questions relate to the Alberta Hail and Crop Insurance Corporation, specifically the hail insurance fund, and I'm looking at the public accounts for 1992-93, volume 3, page 1.27. The first question just relates to the structure . . .

MR. PASZKOWSKI: Page 1.27?

DR. PERCY: Page 1.27, schedule 1. The first question is just a general question that relates to the operation of the hail insurance. Is it set up as an actuarially sound operation, where the experience of individual farmers or individual regions each year is assessed and an insurance cost based on an actuarial estimate of potential losses is then generated? Or is it sort of a flat-rate structure? Just a question related to the structure of operation.

MR. SPLANE: It is risk related, and there is a grid throughout the province based on history. The percentage of premium relates to the history of the particular area right down to specific townships and almost individual farms. It is definitely actuarially sound. In fact, at the present time there's a \$32 million surplus in it.

For the benefit of the members, Madam Chairman, there is no cost to the province for the straight hail fund. That is funded entirely by premiums from the farmers.

DR. PERCY: My supplementary, then, is: in light of this history and the fact that it is actuarially sound and that we have a pretty thorough knowledge, then, of the experience in each district, I note that hail agents' commissions for the hail insurance fund - and I'm now looking at schedule 1 - amount to a million dollars. Could you tell me exactly what was the nature of those payments? Why, for example, aren't these operations just done through Alberta agriculture, since there's such a time pattern to this that it's fairly predictable who's going to get insurance and who isn't? Why do we, in a sense, farm out the writing of these policies?

MR. SPLANE: This has, I guess, a historical background in that it's very much a seasonal kind of activity, and typically these are elevator agents, people who are able to be employed readily on a seasonal basis. They work on a commission basis, so they do have an incentive. From that point of view, we think it's a much cheaper way in terms of cost to those people who are paying the cost of this program, and that's the farmers who pay the premiums.

MR. PASZKOWSKI: It's operated basically as a commercial endeavour in that rather than having government staff doing this, there actually are some salespeople who just do it. I think the commission is - what? Two percent?

MR. SPLANE: Yes.

MR. PASZKOWSKI: The commission is 2 percent, which is certainly compatible and comparable with any other insurance sales. This is hail insurance.

DR. PERCY: A final supplementary then. Is the ability to sell this insurance open to anybody who would want to enter this activity, or is it basically allocated to people on the basis of some set of lists? Or is it just free entry and anybody can sell this insurance?

MR. PASZKOWSKI: Well, the elevator agents are certainly the ones that are used quite extensively, largely because of their proximity to the agricultural community and the fact that they are in contact with the agricultural community. So they are no doubt given some preference. There's a limit as to how many are needed, so there is some allocation per region. It's not just anybody who wants to that's going to walk in the door and start selling it. Obviously, there could be areas where everyone wants to become an insurance salesman and other areas where that may not be the case.

DR. PERCY: Thank you, Mr. Minister.

MADAM CHAIRMAN: Thank you.
Barry McFarland.

MR. McFARLAND: Thank you. Welcome, Mr. Minister and staff. My question today – and I will leave it up to the minister to have one of his staff members respond – deals with the engine that drives Alberta. I guess that's a bias I have. I feel it's agriculture in view of the fact that I don't see many gas- or oil-producing wells on downtown streets of towns or villages or cities and I don't see much food production, primary production, in the cities. For that matter, I don't see a very precious resource, which we have, originating in the cities or towns or villages, and that's a source of water, which leads me to a question on irrigation. I wanted to know if the department has any feelings on the allocation of moneys for irrigation projects, considering that only 4 percent of the cultivated acres in Alberta are under irrigation and they represent in excess of 20 percent of farm receipts. It's a very important question, Madam Chairman.

8:50

MR. PASZKOWSKI: The whole process of water and water management is very key and very important to agriculture. Of course, of all the concerns soil and water management are very, very key and utmost in the importance of the agricultural community. By and large, agriculture's been a very good steward of both soil and water management.

You're correct in that irrigation does provide a very high productivity factor relative to dryland soil, and we're conscious of that. So as far as irrigation is concerned, it plays a very important role, a very critical role. I think something like 2 percent of the soils produce 18 percent of the production in Alberta.

That only tells part of it because of the very breadth of the diversification that takes place through the use of proper water management. The fact that it's in the southern part of the province, where the heat units are greater, allows us to produce crops that we normally would not be able to produce within this province. So it adds considerably to our diversification and, by and large, in the end adds significantly to our final return. This past year I think our overall productivity in agriculture was \$4.8 billion. We're anticipating \$5.1 billion in the coming year. With irrigation producing 18 percent of that, it's obviously very, very significant.

MADAM CHAIRMAN: Supplemental.

MR. McFARLAND: Thank you, Madam Chairman. I'll try to speed this one up. It's a supplementary in relation to irrigation. Just for the record, I'm not an irrigator, so I don't have anything to gain here. I do understand the importance of the value added and the fact that some of the crops that are produced on irrigation would otherwise have to be imported. We don't seem to make

any bones about maintaining an infrastructure of highways, but I certainly am concerned about any substantial decrease in funding to maintain the very important infrastructure for the delivery of water, which in irrigation is paramount to a highway system. Would the minister give us some indication of the amounts of money out of the budget that are specifically for the maintenance of the irrigation canal networks?

MR. RADKE: In program 2 of the departmental budget, Planning and Development, you see the Irrigation and Resource Management program, which deals with the administrative, extension, and other support for the irrigation program. The money spent on infrastructure comes out of the heritage trust fund. There's been for some years \$25 million a year granted to the irrigation districts through the irrigation and rehabilitation and expansion program administered by the Irrigation Council. I think it was about two years ago when we formed an irrigation endowment fund into which \$5 million a year was allotted. In '92-93 there was actually \$10 million invested in the endowment fund for future spending on irrigation rehabilitation because the Act was passed too late in the previous fiscal year to actually get the money in. So there was \$10 million invested in the endowment fund last year. There was the \$25 million that was part of the ongoing irrigation expansion program. In addition, there are substantial expenditures made by the Department of Environmental Protection on main structures, main canals. That is not part of our budget. I'm only guessing; I think that expenditure is in the order of \$35 million or \$40 million a year.

MR. McFARLAND: Thank you.

Would the minister's staff care to indicate to Public Accounts a general rule of thumb or a general percentage of rehabilitation? How much of what is rehabilitated each year might be going into concrete for lining, which I understand will be a longer lasting structure?

MR. RADKE: I would have to take that under advisement. I should say that the irrigation rehabilitation expansion program is all for capital purposes. There's none spent on operating. In terms of what amount is spent each year on concrete versus gravel lining or armouring, I'd have to come back to you with that information. Those decisions are made essentially by the irrigation districts themselves for which they apply for approval to the Irrigation Council. So it's up to the irrigation districts in consultation with the council to establish the most efficient and cost-effective way of spending their share of that \$25 million.

MR. McFARLAND: Thank you.

MR. PASZKOWSKI: Just to supplement that. To start with, there are also the private irrigators that are involved as well as the Irrigation Council. So those are the two groups that are involved. We're certainly encouraging the use of the cement liners because of the potential for soil degradation and the danger of soil salinity developing through the leaching process. So the investment in the solid liners is certainly a good, solid investment as far as better water management but better soil management as well because of the salinity threat when there is an excessive amount of water leaching.

MADAM CHAIRMAN: Thank you.
Danny Dalla-Longa, please.

MR. DALLA-LONGA: Thank you, Madam Chairman. Being that I live two blocks from the city limits in Calgary, I sort of feel I

have a semirural background, and I've got so many questions that I'd like to ask. I'd dearly love to respond to the earlier question, but I think I'll stick to my critic area for the moment, and that is the area of ethanol development.

I've had some professional — my previous life, my real job — experience with ethanol plants, and I read with interest the comments from the debates the other night where the view was held that possibly ethanol plants might be viewed as a subsidy. I worked with some clients in trying to get an ethanol plant developed, and I think this is a real opportunity for the agricultural industry to jump on, to seize an opportunity, if I might crib phrases. What's being done in that area, and why isn't it being done faster to, say, make 10 percent ethanol mandatory in gasoline use?

MR. PASZKOWSKI: Well, I appreciate that, because from an agricultural perspective it is an important opportunity that is out there and one that we are working with the agricultural community to develop. We have to realize that agriculture has indeed facilitated a fair amount of opportunity and we now have a 17-cent tax remission that's available. We've allowed for the AFFDA that would be available. We've allowed for the Crow offset that would be available to production, for a total, I believe, of 17 cents at the present time.

The issue isn't just agricultural though; it's partly environmental. We have to encourage the entire community to become involved, because the net results, of course, are environmental. The pollutant effect basically is a benefit to all Albertans, not just the agricultural community. So from our perspective at least, we have to have something that's a little larger than just the agricultural community contributing to the development of this process. I think that is important and one we have to continue to work towards. As far as encouraging ethanol development, we've done a fair amount of study work. We're quite prepared to provide facilitating services, and we have been. We work closely with several ethanol proponents in the hope that it can be developed. Besides that, it also will be a boon for the feeding industry, because the mash that comes forward, of course, is of considerable feed value.

9:00

MR. DALLA-LONGA: Well, the economics for ethanol production, as I've looked at them, are there. That's not the problem. The problem is the end user; i.e., the oil companies. Presently Mohawk is the only one I'm aware of that uses ethanol in their gas, and there are a couple of others that are thinking about it. That's the problem with getting these ethanol plants off, as I see it. What needs to happen is legislation that says you shall have . . .

MADAM CHAIRMAN: Danny, could you keep your comments on public accounts and away from policy, please.

MR. DALLA-LONGA: Is your department prepared to insist on or encourage legislation using ethanol in gasoline?

MR. PASZKOWSKI: Well, as I mentioned, this becomes an environmental issue, and we're certainly quite interested and quite proactive as far as the development of the ethanol industry is concerned. I'm not sure just how agriculture could legislate for an environmental issue.

MR. LUND: A point of order, Madam Chairman. I'm having great difficulty. We're supposed to be dealing with the public

accounts, and now we're getting into a whole policy debate. Now, if we want to get into that, I'd love it. Are you going to allow us all to get into this debate as well?

MADAM CHAIRMAN: As long as the minister is not indicating he doesn't want to reply. I was trying to communicate to the member that he should be staying away from policy. I certainly believe as chairman that we're here for public accounts, and we should address the questions with that respect.

So, hon. minister, if you don't wish to continue to answer the point that was put to you . . .

MR. PASZKOWSKI: No, I have no problems.

MADAM CHAIRMAN: You have no problems? If the minister doesn't have a difficulty, I would say . . .

MR. PASZKOWSKI: I appreciate the hon. Member for Rocky Mountain House's statement, though. If that's the wish of the members, I don't have any problem.

MADAM CHAIRMAN: What's the wish of the members? You've heard the minister's comments.

DR. L. Taylor: Stick to public accounts.

MADAM CHAIRMAN: Okay. I'll rule, then, that we will not continue with that supplementary question. If you'd like to reword your question, keep away from policy and relate it to the '92-'93 public accounts.

MR. DALLA-LONGA: Well, I guess I just have one further question. Are you aware how much was spent in the '92-'93 year on this ethanol production issue, advancing the cause for farmers in terms of getting ethanol production?

MR. PASZKOWSKI: That would be difficult to identify, because it's done through various branches of the department. As I mentioned, we're simply acting in a facilitative role in that we're providing information services. We're providing any of the definitive background work that may be required to be done. So to put an actual number on it — it would be very difficult to put a handle on that.

MR. DALLA-LONGA: Okay.

MADAM CHAIRMAN: Yvonne Fritz.

MRS. FRITZ: Thank you, Madam Chairman. My question relates to page 2.30, and it's in volume 2. I know very little, like my colleague to the right of me, about agriculture, so mine's related more to revenue. It's just a straightforward . . .

MR. PASZKOWSKI: What was the number again, Yvonne?

MRS. FRITZ: It's on page 2.30. It just had to do with revenues. I was reading volume 2. I'll just wait for the minister to find the location.

MADAM CHAIRMAN: Yes, he has.

MRS. FRITZ: Thank you, Madam Chairman.

I was noticing that the revenues decreased approximately \$3.7 million. Although I saw that some individual areas showed some

increase – for example, brand inspection; I even wondered what that is – there are major decreases shown under other revenues. I wondered what the reasons were for the decline.

MR. PASZKOWSKI: The brand inspection element is reflecting the tremendous growth that we have in our cattle industry.

MRS. FRITZ: Could you just explain to me, please: what is that?

MR. PASZKOWSKI: Pardon?

MRS. FRITZ: What is brand inspection? In showing a growth, what . . .

MR. PASZKOWSKI: Yes. Each animal that's raised in Alberta is identified with what we call a brand.

MRS. FRITZ: Yes.

MR. PASZKOWSKI: Each brand is registered with the government, and that way we can control cattle rustling and the likes of that. It's a way of identifying. Where we get into a bit of a complexity, of course, and an issue we're dealing with is where you have the cow/calf operator raising an animal, selling it to a background feeder, who in turn sells it to another feeder. Each time it changes hands, there has to be a different brand established on the animal just to identify it. That's the way cattle rustling is controlled.

The major reason for the decline is that the revenue of \$3,076,736.76 was for the sale of Lambco, which in the '91-92 fiscal year was in other revenue figures.

Does that answer both your questions?

MRS. FRITZ: It does. Thank you. That shows me where that decline came from then.

Also, Madam Chairman, just a supplementary. I also noticed on that same page that the government took in over \$367,000 for the sale of assets and another \$293,000 the previous year. I wondered what assets were divested under this category.

MR. LYSENG: My name is Larry Lyseng. The revenue you're speaking of is revenue that is received from the sale of produce at the research centre at Brooks and at the Oliver tree nursery. It also represents the sale of shelterbelt trees by the Oliver tree nursery.

MRS. FRITZ: Oh. Thank you, Madam Chairman.

DR. PERCY: Mr. Minister, in volume 2, page 2.29 of the '92-93 public accounts, vote 5, Farm Income Support, there are a variety of payments there, some related to the Crow, others which are areas of farm income. We know that in vote 7, through GRIP and others, there are payments to the agricultural sector that are forms of income insurance or income maintenance; there's often a mix. My first question is that this is not a comprehensive estimate of the total level of support by government to the agricultural sector. There are a variety of subsidies or price supports through Treasury: for example, purple gas. Is there any estimate anywhere in the public accounts, or how would one derive it from the public accounts for '92-93, of the overall level of government support for the agricultural sector?

MR. PASZKOWSKI: Approximately 48 percent of our budget.

MR. RADKE: Closer to two-thirds of our budget envelope is directed towards direct or indirect transfers to farmers and industry. There are other budget estimates in the Treasury Department for farm fuel, as you indicated. The Hail and Crop Insurance Corporation: I don't have available a complete listing of all those payments as they relate to total agricultural support.

9:10

MADAM CHAIRMAN: You'll have to speak up, Mr. Radke, or lean forward.

MR. RADKE: I'm sorry. I don't have available, although it can be derived, a more complete listing of all the farm income support available to agriculture from this province. There's also, of course, federal expenditure on agriculture.

MR. PASZKOWSKI: If you're looking at safety nets, just under 50 percent of our total envelope is in the safety net process. The farm fuel rebate, though, that is under Treasury's budget, comes out of our envelope as well. So agriculture actually funds it.

DR. PERCY: That 50 percent figure you refer to: is that the budget of your department or the total flow by all government departments in the form of safety net expenditures for agriculture?

MR. PASZKOWSKI: I'm sorry.

DR. PERCY: Is that 50 percent you're referring to the share from your budget, Mr. Minister, or the share from all government expenditures that are in the form of safety net expenditures in agriculture?

MR. RADKE: If I could answer that. In terms of the budget envelope of Alberta Agriculture, Food and Rural Development, it includes expenditures out of the heritage savings trust fund such as Farming for the Future, the farm fuel distribution allowance out of Treasury, irrigation rehabilitation, and so on. From that envelope, we would spend over 60 percent of our envelope on farm income support. In addition to that would be programs of the federal government, cost-sharing of the federal government, and some smaller kinds of programs in terms of the general revenue fund in Treasury such as the farm credit stability fund.

MADAM CHAIRMAN: Final supplemental.

DR. PERCY: In looking at the public accounts and the total flow of expenditures, it's very difficult to get an idea of the distribution of those expenditures by farm size or farm income. Is that information available so that one could get an idea, by size of farm or size of farm income, of the importance of provincial government expenditures to each? One would hope it would be targeted so that those in need receive a greater share, as opposed to being basically a subsidy, for example, to larger, commercially viable entities. Is such a breakdown available? To interpret the public accounts, in a sense one needs that background information as to who gets what.

MR. PASZKOWSKI: I guess what we'd have to do is interpret properly who is in need. I think it would be very, very difficult to determine that by size of farm, because we have very successful, well managed, small operations, and we have very successful, well managed, larger operations, and we have the converse as well. To try and determine whether indeed it's size of farm that makes you successful, again you have to determine what is

successful. I think there would be a lot of determinations there that may or may not be productive to us. Though there are some broad, relative figures that can be utilized, generally it depends on the type of operation you're operating as well. The degree of diversity has some bearing at the present time, because at the present time, as you know, the grains and oilseeds are not doing as well as the red meat industry. Now, 15 years ago it was just the opposite, where the red meat industry wasn't doing as well as the grains and oilseeds industry. So the overall process has a tendency to change, and continuous adjustments would have to be made. To do it on the basis of size of farms would be fairly difficult, because there would have to be a lot of assumptions made that may or may not be actuarially sound.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Ed Stelmach.

MR. STELMACH: Thank you, Madam Chairman. I'd suggest we go to page 72 of the Auditor General's report. It's a good thing that the Auditor General is here also. Maybe both the Auditor and you, Walter, as the minister, can give us an appreciation of the purpose behind writing some of the paragraphs here relating to "setting criteria and measuring program results" in tripartite. Maybe the Auditor General can first explain to us what the objective was there, what type of criteria you were looking for, and then perhaps the minister can reply as to what we're doing in response to the management letter that the Auditor had sent to the department.

MR. SALMON: I don't want to take a lot of time, because the minister is here and he can certainly answer the question. My understanding of this particular item was that we were really concerned with and had discussions with the department on their ability to measure whether or not they are achieving the objectives they had established in the tripartite programs and that there is some need to reflect upon ways and means of measuring that they are achieving what they intended to achieve in operating the programs. I can't comment on the future because I can't recall exactly what's happened since the timing of this particular report, but I would be happy to hear the comment from the department.

MR. PASZKOWSKI: I think we have to reflect to the basic and the major principles of tripartite, and perhaps that will answer your question. Keep in mind that tripartite is a joint program of producer, provincial, and federal support. So what we have to do is accommodate the needs of all three, and I think that's the important element that tripartite brings together. The basic concept and the basic formula that comes forward in the development of a tripartite agreement is equal support across Canada, because Canada is involved in the funding and so the program has to be continuous across the country. Equal cost sharing. Voluntary for producers: producers can either participate if they wish, or they don't have to. The program should be financially sound, which means actuarially sound. Limit losses to the producers: I think that's the important element. It's a safety net process that has been incorporated. There has to be equity amongst commodities.

Now, those of course are the objectives of the whole process of tripartite. Does that explain what you're after?

MR. STELMACH: Yeah. When I look at the statement made by the Auditor, I guess there must have been some question, then, on behalf of the Auditor whether we're achieving these goals or results. You know what happened to livestock over the last few

years. You know, different sectors have realized - the beef is certainly doing well. Pork, they were suffering a bit, and now it's come up a bit. I'm just wondering how we then will be able to measure the effectiveness of the program so that the Auditor is satisfied. You know, to me as a farmer, part of it is the support during those times when the prices really drop. Then when they do go up, we contribute to the fund. I'm not quite sure: is it survival that we're interested in? Is that part of the criteria? It's quite vague here.

MR. PASZKOWSKI: Well, there's more to it than just survival. It does have a little more principle to it than that. There are formulas that are used in the development of it and cost production and a few other items that go into the overall process, and they're all part of it. So there is a formula that is put into the implementation of a tripartite program. Now, just what type of measurements can be put in place to accurately determine the successes - I guess perhaps we can do that at this stage. Tripartite is something that we're moving out of, so I think perhaps our energies could be better expended in the development of another program that would allow us to perhaps achieve in a more equitable way. I think that's where our energies will very likely be focused in the short term here.

9:20

MR. STELMACH: Given the fact that the beef tripartite program will be, you know, eliminated and that, I think it's redundant. No sense wasting time on this, other than the fact that I believe the pork tripartite is still in place till 1995.

MR. PASZKOWSKI: Exactly. Pork is in place as well as lamb and veal.
It is still in place.

MR. STELMACH: Thank you.

MADAM CHAIRMAN: Would you like to supplement?

MR. RADKE: I'd like to supplement, if I might. Under each of those agreements there is provision for five-year comprehensive reviews of the entire agreements. There have been five-year reviews completed for both cattle and hogs and almost completed now for the lamb tripartite program. The general conclusion of those reviews is that the programs have lived up to everyone's expectations, especially in the first five years. Measuring in Alberta the growth in livestock production as one indicator of the success of those programs certainly shows that Alberta, at least, has been a winner under the combination of safety net programs that we've had in place over the last few years, including tripartite.

MR. PASZKOWSKI: Just as a statistical measure, we do produce something like 52 percent of the nation's cattle, 16 percent of the nation's hogs, and I think it's 24 percent of the nation's lambs, so obviously the growth factor has been quite significant and is one that has been very, very helpful in the development of that red meat industry in Alberta. Of course, with the grains and oil seeds not doing that well at the present time, it has provided tremendous balance. Roughly 60 percent of our agricultural community is now diversified into the meats and grains and oil seeds sector. So that in itself is very positive as well, because one helps balance the difficulties in the other sector.

MADAM CHAIRMAN: Thank you.
Sine Chadi.

MR. CHADI: Thank you, Madam Chairman. Hon. minister, my questions relate to the Alberta Agricultural Development Corporation. I note that in the past five years we've had . . .

MADAM CHAIRMAN: Do you have a reference page at all?

MR. CHADI: I will get to that, Madam Chairman, if you'll just give me an opportunity to give a bit of a preamble.

MADAM CHAIRMAN: It gives people an opportunity to look for it.

MR. CHADI: All right. The reference would be 1.6 in the public accounts, volume 3.

MADAM CHAIRMAN: Thank you.

MR. CHADI: Over the past five years we've seen annual deficits in this corporation amounting to a total of \$197 million or thereabouts. In the past year the 1992-93 public accounts indicate that we've lost \$30 million in the corporation, and you'll note where the actual and the budgeted amounts are. Now, at one point it was mentioned that I was one who would want to pull the pins from underneath the agricultural industry or ADC in this province. That is not the case. I want it plain and clear for the record. I believe that the Alberta Agricultural Development Corporation plays an important role, but when we look at \$200 million or thereabouts in five years and particularly in '92-93 see an additional \$30 million in losses, how much longer can we anticipate these losses to be in this corporation?

MR. SPLANE: Maybe I could respond to that. The costs that are assigned to the corporation are related to an incentive for beginning farmers and to reserves for accounts that are on the books which have been there for as much as 20 years or more. The nature of the corporation is that we administer beginning farmer loan programs, which through their first five years have an incentive of 3 percent. So that's a basic loss that has to be recouped and then any loan loss provisions. Also, we administer some disaster loans. They are not going to be on the books for all that long. I think we've only got three more years with respect to the disaster loans.

Certainly with respect to the beginning farmer program there is an ongoing contractual obligation for each new loan for the first five years, and those rates at the present time have an incentive of 3 percent in them. They're written down, in effect, to the beginning farmer by 3 percent, from 9 percent to 6 percent.

MADAM CHAIRMAN: Supplemental.

MR. CHADI: Yes. Again, my question to Mr. Splane. Are you taking the hit, then, every year or are you doing it once, with respect to the differential between the 3 percent and the actual rate that you're using?

MR. SPLANE: No, that takes place on an annual basis, because the individual has to qualify each year for the incentive. So if they move out of farming, then of course they won't get the incentive. It would cease to exist.

MR. CHADI: I'm kind of curious to know that in 1993 when we look at 1.6 and the actual amount of \$38,564,000 slated in the loan discounts, note 5 - we've got a provision of \$38 million, and yet on the budgeted area, we've got zip-a-dee doo. Why is that?

MR. SPLANE: That was a one-time adjustment. If you had our annual report, it's included in the Auditor's notes to the annual report. There were some changes in public accounting policies, and any loans that we had on our books that had either beginning-farmer type incentives or subsidized interest rates were discounted on a one-time basis to reflect that. So the impact is to the balance sheet, not to the income statement. What happens is that we have a \$38 million value to the discount. That will be amortized back up as those loans are repaid. So rather than showing them on the books as full value, that should reflect market value if they were to be sold.

MADAM CHAIRMAN: Thank you, Mr. Splane.
Hung Pham.

MR. PHAM: Good morning, Mr. Minister. It's quite impressive for you to bring all your troupe this morning. I do not know much about farming programs, and like the Premier pointed out, it probably will take me at least 30 years to learn all these programs anyway.

I have a question regarding the estimate of expense that was made on Farm Water Emergency Supply Assistance on page 2.29, volume 2, public accounts for 1992-93. The estimate was \$740,000. We actually spent over \$1.6 million on that program on 2.29, Farm Water Emergency Supply Assistance. Can the minister tell me and the other members: why is there such a discrepancy between the original estimate and the actual amount that was spent?

MR. PASZKOWSKI: Thank you to the hon. Member for Calgary-Montrose. Just in commenting, you're probably the only one in this room that can spend the next 30 years learning about agriculture and still be young enough to be productive. So I would encourage you to spend some time in learning more about agriculture.

9:30

The water assistance program basically consisted of three grant programs, and there are three different components to it: the farm water emergency supply assistance program, the water hauling assistance program, and the supplemental rural water development program. In essence, there are three different phases to this program depending on what the need is, because the need isn't consistent and it's not consistent throughout the various areas. So there are the three different elements to the program.

All three of these programs assisted producers affected through the drought in the '91 and '92 calendar years. Hopefully the drought has ended, although I understand the northeast region has some pockets of drought that are still there, and certainly water levels are not up to the standards that we would like to see them in that one particular area. But, by and large, the province is relatively in pretty good shape as far as water levels are concerned.

The overall administration of this program was handled by the rural development division. In '92-93 a new farm income support vote was created to more accurately reflect the diversity of these programs, so there was a change in the process of actually reporting. It was difficult to make the same distinctions throughout as was done in the past.

I don't know. Does that answer your question adequately?

MR. PHAM: Would that explain why we spent more money? Because we changed programs in the middle of the year?

MR. PASZKOWSKI: Well, the difference in the reporting mechanism is what created that situation.

MADAM CHAIRMAN: Supplementary, Hung.

MR. PHAM: Thank you, Madam Chairman. How many farmers are involved with these programs here, Mr. Minister?

MR. PASZKOWSKI: Just as far as delivery of the program is concerned, there were over 1,800 farm dugouts that were filled, over 3,700 dugouts and wells that were constructed in that year, more than 850 water hauling contracts were funded, and over 2,700 emergency programs received assistance. So it was an extensively used program. Of course, without water, agriculture doesn't exist, so water is a very integral factor in the development of the agricultural industry.

MADAM CHAIRMAN: Final supplementary.

MR. PHAM: Thank you, Madam Chairman. With that \$1.6 million that we spent, is there anything that we can reuse for next year or the year after that? Or after you spend the \$1.6 million, is the money gone?

MR. PASZKOWSKI: Certainly the dugouts and the wells that are constructed are ongoing. So those are ongoing. The only one that may not be reusable is the pumping process, and that doesn't do you any good if you don't have something to replenish your water supply. The problem, particularly in the northeast, has been that you just haven't had any snow, and it's really snow that replenishes the overall water supply. That's part of the need that's been deficient in that particular area. As far as storage facilities such as dugouts and construction of water wells, those will be permanent types of solutions to that problem. We still have the pumps and the pipe, and we have a lot of it because in some cases some of the farmers have to pump for many miles, and that's a big undertaking really.

MADAM CHAIRMAN: Thank you.
Leo Vasseur.

MR. VASSEUR: Yes, thank you, Madam Chairman. Mr. Minister, on the ADC, we have on page 1.12 of volume 3, and if we go back to page 1.10, there's about a billion dollars out there . . .

MR. PASZKOWSKI: Going back to which, please?

MR. VASSEUR: It's 1.10 and 1.12.

We have approximately a billion dollars out in ADC loans at the present time with an average interest of about 10 percent, and it concurs with the amount on page 1.12 of Interest Expense of around a hundred million dollars. My question is: in the recovering of part of that interest and other income or other revenue of \$81.9 million, what part of that roughly \$82 million of revenue is interest or what part is other revenue? Or is that mostly interest income?

MR. SPLANE: There would be about a million dollars in fees, loan fees and loan administration fees. In our commercial lending program we pretty well track the same philosophy as in the financial institutions. We charge lending fees and administration fees, so about a million dollars would equate to that. The rest of it would be interest, either at 9 percent in terms of our developing

farmer loans or 9 percent for beginning farmers who are in their sixth year and later in their developing program, and of course 6 percent for beginning farmers during their first five years. The commercial loans would be at roughly market rates.

MR. VASSEUR: I suppose most of that amount, the roughly \$81 million that is recovered in interest, is roughly recovery of about 8 percent on the total amount of money that's out there.

My next question is on the provision for doubtful accounts and losses indicated at \$14.5 million on the same page. If we go to note 11 on the previous page, page 1.10, we have a provision for, I would imagine, losses at \$14.5 million and then the write-offs for '92-93 of \$34 million, which would give me a difference of about \$20 million. Yet on page 1.12 it's indicated as \$14.5. I'm just wondering why the difference.

MR. SPLANE: Again I need to explain the difference in treatment with respect to the income statement. We provide provisions for losses on an annual basis. That reflects an analysis of each one of the accounts: where they are in terms of making their payments, whether or not they're in arrears, and also the value of the asset. In Alberta, as you're well aware, when you're lending against an asset like real estate, the lender only has the opportunity to that security. We aren't able to go against personal assets normally. So we provide a provision on an annual basis, which is a charge against our income statement. That has been decreasing, if you look at the amount that we've been providing. The write-off, on the other hand, just tells us what we are actually writing off our books. That's already been provided for and charged to the income statement over a period of time. When there are foreclosures or quitclaims and we dispose of the assets, at that time we actually do the write-off. So that's a charge to the balance sheet, and it just gets it off our books, but we've already provided for it in previous years and it's charged to the income statement at that time. So when you look at the write-offs, it's just a historical amount relating to what we've actually sold and gotten off our books.

MR. VASSEUR: It explains it partly.

My next question to the minister: because most of these ADC loans are at around 9 percent, are we anticipating some future pressure on write-offs here because the farming community is committed for a long term, up to 2013, on these debentures? Is that going to provide future additional losses? A lot of people are trying to get loans at less than the 9 percent they presently have, because they can go to a bank and get it at 7 percent or 6 and a half. Is that going to be accessible to the department?

9:40

MR. PASZKOWSKI: To start with, as far as the write-offs are concerned, I think we have something in excess of 12,000 loans out there as far as ADC is concerned. The people that are behind in payments are something like 2.4 percent of the overall portfolio, which I think is relatively healthy. You don't like to be behind at all, but I don't think there's any institution that isn't behind as far as payments are concerned. We also have to recognize that ADC is a lender of last resort, which is really a higher risk than even the banks. Overall, to be down to 2.4 percent behind in payments is what I consider a relatively healthy position to be in.

Now, as far as lending at a lower rate of interest, we don't have any plans for looking at lending at a lower rate. Interest rates can change very quickly, and we have written out the higher rates of interest. Really, by the time you make your loan from the bank, I don't think you're going to be able to get one at 6 or 7 percent

interest at this time. I haven't talked to anyone who's been able to achieve that. It's always higher than that. It depends on the length of time that you're going to go in.

If you want to go in short term, you can get a lower rate of interest but you're certainly vulnerable, whereas in our case we provide the long-term security. In our case it's security that will allow for the complete repayment of that loan. To go in for a year to five years – I think the maximum is five years that you'll get out of a bank. Once you get into the five-year loan, suddenly the interest rates are considerably higher than they are for the one-year loan. So, overall, if you're going to try and go for the security of a long-term loan, you're not going to get a better interest rate from the bank.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Pearl Calahasen.

MS CALAHASEN: Thank you, Madam Chairman. I'd like to say good morning to the minister and congratulations to the minister on his appointment.

As a rural MLA I certainly understand some of the agricultural problems and areas associated with agriculture, but I don't understand them all, as one of my colleagues indicated. However, I have a significant number of farmers in my constituency, and I have a special interest in ADC. In the Auditor General's annual report he said that the financial statements of ADC "are not in accordance with generally accepted accounting principles" regarding interest revenue recognition on loans that are in arrears. Could you tell me what the corporation is doing to address this issue? It's on page 1.4 in volume 3.

MR. PASZKOWSKI: Effective March 31, 1993, which of course wouldn't show in this, the ADC adopted changes to the public-sector accounting principles that require value of concessionary loans to be discounted. Loans made under the disaster program and amounts deferred under the indexed deferral plan have been discounted by \$38.8 million on their estimated present value. The amounts discounted will be recaptured over the lives of the concessionary terms. Had there been no change in the accounting principles, the deficit at the end of March '93 would have been \$45.9 million, down about \$4.5 million. So there have been some changes made in the process.

MS CALAHASEN: Great.

My supplementary, Madam Chairman. With reference to the financial statements of ADC on page 1.5 of volume 3 of public accounts, why has that deficit increased to \$84.5 million from \$54.5 million for the previous year?

MR. PASZKOWSKI: That's because of the changes again in the accounting process. There were some changes made, as I mentioned, on March 31, and that's a result of those changes. It's strictly in the way that it's presented.

MS CALAHASEN: There's nothing specific attached to that, or is there?

MR. PASZKOWSKI: The numbers actually are different, but they're presented in a different manner.

MS CALAHASEN: So just the procedure, if I may, Madam Chairman?

MR. PASZKOWSKI: It's the procedure they've changed, yes.

MADAM CHAIRMAN: Final supplementary.

MS CALAHASEN: As it relates to the ADC and with reference to note 3(c), to the financial statement regarding out-sourcing information systems, how many employees would you say were laid off due to this change?

MR. PASZKOWSKI: With the privatization of the information services effective February of '93, 13 permanent and five temporary employees were affected. So under the terms of the agreement all the employees became employees of the firm with guaranteed employment for one year. There were no subsequent layoffs, but 13 permanent and five temporary employees were affected.

MS CALAHASEN: Thank you.

MADAM CHAIRMAN: Alice Hanson.

MS HANSON: Thank you, Madam Chairman. Good morning, Mr. Minister. My question is not specifically to the general questions that were asked this morning, but it's about women farmers. I understand that there are more women having a financial investment in farms over the last few years, either by buying land themselves and operating their own business or as partners with their husband or inheriting land, that kind of thing. I was wondering: with the ADC, can you give me any idea what percentage of loans are made to women and the percentage to men? I'm just interested in how they're getting involved in their farming.

MR. PASZKOWSKI: I don't have that, and I don't know if there's anyone . . .

MR. SPLANE: I think it's fair to say that most of them are made jointly, men and women, usually spouses. We changed our policy at ADC – I think it was about three years ago – to recognize the very question that you're asking so that if two individuals who are farming together, male and female, want to have separate operations, we have regulations now that will deal with that so they can access the same amount of funding on an equal basis. That has been growing, but it isn't what I would call significant in terms of the 12,000 loans that we have. Certainly it is growing year by year.

MS HANSON: Okay. Thank you.

MADAM CHAIRMAN: Supplemental.

MS HANSON: Yeah, just one supplementary. I'm pleased to hear that you have changed your regulations to make it more equitable. I assume from that that a woman no longer requires her husband's signature to get a loan, say, if she owns the land that is the collateral.

MR. SPLANE: That's correct. Yes.

MS HANSON: Thank you very much.

UNIDENTIFIED SPEAKER: It's illegal to give a grant or a loan based on gender, isn't it?

MS HANSON: It didn't used to be very recently, but it might be. [interjections]

MADAM CHAIRMAN: Seeing that both sides are having a debate, I'm allowing it.

MR. PASZKOWSKI: The other item that has sort of discouraged women from becoming individual operators has been the permit system with the Wheat Board, because in order to access a special permit which would allow you to market grain independently, you had to prove that you were totally an independent operator. Unfortunately, this had a tendency of really making it a little more complex, because in order to be an independent operator, part of the formula the Wheat Board had: you had to prove that you had a complete line of equipment of your own, that you were doing all the work yourself, and that you were operating the property. You didn't have to own it, but you had to operate the property. This sort of made it a little more complex, because when your income was coming in - of course, you had to market legally, unless you chose to tell the Wheat Board some things that weren't totally true, because it wouldn't be very practical for a farm operation to have two complete lines of equipment for the husband and the wife. So in essence the rules of the Canadian Wheat Board made it very much more difficult for a woman to become an independent operator as well. So that was sort of an item that really doesn't have anything to do with the lending of the money, but it did impose, whether it was on the husband or the wife, to become a totally independent operator.

9:50

MS HANSON: Madam Chairman, could I ask the minister one question about that or make a comment?

MADAM CHAIRMAN: Final supplementary.

MS HANSON: Okay. As you just commented at the end there, it means that actually it would be difficult for separate partners in an operation to, you know, say that they are the independent operator, but it shouldn't really matter whether it's the man or the woman who decides to be the independent operator. So really that's equitable in that way.

MR. PASZKOWSKI: Yeah, it didn't matter. It's just that you had to be a little more creative in your bookkeeping; that was all.

MADAM CHAIRMAN: Thank you.
Ty Lund.

MR. LUND: Thank you, Madam Chairman. Back on the Auditor General's report and recommendation 23. For the record I will read it.

It is recommended that the Alberta Hail and Crop Insurance Corporation discontinue current practices that do not comply with the federal/provincial insurance agreements, and take steps to amend the agreements. Where uncertainty exists as to whether or not a practice is in compliance with the agreements, the matter should be resolved with the parties involved, and the resolution be documented in regulations or formal guidelines.

Now, the problem, as I see it, that the Auditor General is identifying is in things like the coverage levels, the interest charges, the premium discount adjustments restrictions, and the revenue protection payments. Some of these I believe have been satisfied, but I'm wondering if in fact it has been shown that there has been a loss to the corporation, for example, by the revenue protection payments going to the hundred percent as opposed to the 75. Were there any losses because of that payment? On page 76 of the Auditor General's report.

MR. PASZKOWSKI: Of course, the revenue protection program is one that sort of moves up and down type of thing, and it's difficult to indicate what a true loss is because hopefully in the process - I think the essence of the question really is: is the process actuarially sound? I assume that's very likely what your question is relating to. In the early stages of the program, no, it was not actuarially sound in that there were allowances made for the people whose production was increasing. That accommodation was made. I think it was in the first year that if there was a loss, it really wasn't shown. Obviously, unless it's actuarially sound, you're going to end up with some losses coming forward. Now, we are in the process of making adjustments to accommodate that so that the whole program is actuarially sound. It is the hope and the feeling that through the process - and it looks like we're probably going to be having a good crop year this year - the losses will be covered with a good crop year.

MR. LUND: Supplementary, Madam Chairman. I recognize the attempt and the actuarially sound part of it, but I guess on the revenue protection payments, as you're well aware, Mr. Minister, the program called for an interim payment of 75 percent, but we paid it out at a hundred percent. I just wonder if in fact that caused us any problems relative to any loss of money. If there was a loss, are we recovering it from the individual?

MR. PASZKOWSKI: The issue of paying a hundred percent revenue protection claims to producers with zero production was solved by amending the GRIP agreement at the province's request. Hopefully, it is resolved.

MADAM CHAIRMAN: Final supplementary.

MR. LUND: No, thank you. That answers both those supplementaries.

MADAM CHAIRMAN: Thank you.
Danny.

MR. DALLA-LONGA: Mr. Minister, I refer you to page 3.4, the consolidated balance sheet for Gainers Inc., as well as 3.3, the audit opinion. We have \$12 million being carried in there which is, I guess, a receivable from one of the Pocklington companies. What is the status of that investment, that amount, and why is it continuing to be carried in the financial statements of Gainers Inc.?

MR. PASZKOWSKI: Frankly, I'm not familiar. Gainers has up until now been a Treasury item.

MR. DALLA-LONGA: Does that not come under your department?

MR. PASZKOWSKI: No, it hasn't up until now.
We haven't been covering Gainers, have we? [interjection] It's Treasury.

MADAM CHAIRMAN: You can keep that question for Treasury.
Do you have another question?

MR. DALLA-LONGA: Yeah. I'm referring to 2.28.

MADAM CHAIRMAN: You have two minutes.

MR. DALLA-LONGA: Sure.

Pages 2.28 and 2.30, volume 2. The accounts that I'm looking at on 2.30 are Surface Rights – Land Lease and surface rights . . .

MADAM CHAIRMAN: Possibly what we're going to have to do, Danny, is just put your question, and then the minister could get back to us, because we're going to run out of time.

MR. DALLA-LONGA: Okay. My only question is: I'd just like to know what those accounts are and how they relate to one another. One is called Surface Rights – Land Lease, on 2.30, and on 2.28 it's Surface Rights Board. What are those?

MR. PASZKOWSKI: That's under the jurisdiction of Cec Purves.

MADAM CHAIRMAN: Because of the time, I would ask if we could have a written reply to the other questions that were not addressed. We're going to run out of time, hon. minister.

MR. PASZKOWSKI: I'll need a clarification of the question.

MR. DALLA-LONGA: Okay. What are those accounts for, and how do they relate to one another? It's just sort of an educational question for myself.

MR. PASZKOWSKI: Okay.

MR. DALLA-LONGA: Thanks.

MADAM CHAIRMAN: Thank you very much to the hon. minister and his staff for being in attendance this morning. We look forward to the questions that you were not able to give us full answers to being forwarded through the chair so that they can be distributed to the members.

Before members leave, I would bring to your attention the calendar that has been circulated showing that on October 27 Community Development will be appearing before Public Accounts, but we will only be addressing recreational issues. This is at the request of the minister, because other staff members dealing with other areas with regards to that department will not be available. So please note: Community Development, recreation issues only, the 27th.

MR. McFARLAND: Madam Chairman, if you would indulge me with just one strange request to the department and the minister. In light of the discussion today and bringing back old things about drought, it reminds me of the thousands of farmers who would – and here's a question: would you guys please accept a thank you for all the help that you've done for the thousands of farmers in the southeast area who have benefited and are still alive today thanks to the department of agriculture.

MADAM CHAIRMAN: With those complimentary comments, we stand adjourned. Thank you.

[The committee adjourned at 10 a.m.]

