

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, April 10th, 1972

(The House met at 2:30 pm.)

PRAYERS

(Mr. Deputy Speaker in the Chair.)

INTRODUCTION OF VISITORS

MR. HYNDMAN:

Mr. Speaker, it is my pleasure today to introduce to you and through you to all 75 members of the Assembly 30 Grade IX students from St. Paul school in my constituency. Seated in the public gallery, they are accompanied by staff members Mrs. Dunnigan and Mr. Hendrick. I might ask that they rise at this time and be recognized by the Assembly.

MR. KING:

Mr. Speaker, I would like to introduce to you -- although perhaps that is not necessary -- but more particularly, to the members of the Legislative Assembly, 80 Grade VIII students from a school in your constituency, St. Nicholas School. They are accompanied today by two of their teachers, Mr. Berg and Mr. Rebus. They are sitting in the members' gallery. I would like to ask that they stand to be recognized by the members of the Assembly.

FILING RETURNS AND TABLING REPORTS

MR. HYNDMAN:

Mr. Speaker, I beg leave to table a return ordered by the Assembly, Return No. 161.

ORAL QUESTIONS

Transportation to the Arctic

MR. STROM:

Mr. Speaker, I'd like to address this question to the hon. the Premier. I noted an article in the Journal of today stating that the PM sees a road to the Arctic this decade. What discussion has your government had with the federal government regarding an all-weather road to the Arctic, and possible involvement of Alberta in part of that construction?

MR. LOUGHEED:

Mr. Speaker, with regard to the hon. Leader of the Opposition's question, I noticed the same reference in the news reports with regard to the Prime Minister's speech. It occurred to me in reading it that it was certainly a matter that I would want to take up with him at the earliest possible time, and I intend to do so from a

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standpoint of heads of government. Perhaps if the Minister of Federal and Intergovernmental Affairs or the Minister of Highways wants to add anything at this time, they may. I do think that it is a matter of a statement by the Prime Minister that is in accord with the discussions that we've had in this Assembly over prior years, and it certainly seems to me a very important opportunity for Alberta to continue with the expansion of logistics in terms of the development of the North. I can assure the hon. leader and members of the House that, having noted the remark was made by the Prime Minister, it would be my intention within a few days to follow through on the matter, and when I have done so I would be pleased to report further to the House.

MR. STROM:

Mr. Speaker, a supplementary question, not directly related to the road, but it's certainly tied in with it. Has the government had discussions with the federal government in regard to the possibility of other services coming through Alberta from the Arctic? I'm thinking more particularly of the possibility of a pipeline which may well be the first involvement.

MR. LOUGHFEED:

Yes, Mr. Speaker. Of course, with regard to the matter of the road, it was a part of those discussions. The reason I answered the first question in the way I did was that I felt the nature of the statement by the Prime Minister warranted specific follow-up by the government on that point, although there had been discussions involving pipelines that related as well to the question of an all-weather road. But I would like to refer the second question of the hon. leader to the Minister of Federal and Intergovernmental Affairs, with the remark, Mr. Speaker, that I believe during his contribution in the budget debate that the Minister of Mines and Minerals did deal at considerable length with the question of a transportation corridor. But I would like to refer that matter.

MR. GETTY:

Mr. Speaker, there has been some discussion, as pointed out by the hon. Premier and the hon. Minister of Mines and Minerals, that with the contemplation of a natural gas pipeline almost certainly, and an oil pipeline more up in the air --at least an initial one -- there is a necessity to have both road and rail facilities if possible, and this has been in our minds when we have talked about a transportation corridor. And so we have had discussions. I am certainly pleased to read the comments by the hon. Prime Minister of Canada where he feels that all of this will come to fruition within the next 10 years, and certainly we can all assume that it will be a tremendous benefit to Alberta.

I might say, on a specific, which the hon. Leader of the Opposition raised, just yesterday we had a discussion again with the Minister of Energy from the federal government to discuss the reactions he had had in Washington with regard to pipelines, and we found those discussions very helpful. I could say to the House that he was not overly encouraged in Washington regarding an oil pipeline, but he felt that there was considerable feeling, as we all have had, that a natural gas pipeline will come from the North to the Mackenzie Valley.

MR. STROM:

Mr. Speaker, a last supplementary question. It may have been answered. I don't recall that it was touched on by the hon. Minister of Mines and Minerals. Has the Alberta government given any indication to the federal government as to its preference on possible

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locations of pipelines for example, which I think will have quite an important bearing on the development within our province?

MR. LOUGHEED:

Mr. Speaker, I would like to refer that answer to the Minister of Mines and Minerals and just add, initially, a response. In my luncheon meeting with the Prime Minister last November, I raised with him the Gas Arctic project and of course, that deals in a specific location in terms of the matter raised by the hon. leader, but perhaps the Minister of Mines and Minerals could develop that.

MR. DICKIE:

Yes, Mr. Speaker, I think we have definitely conveyed to them that we want to make Alberta the energy corridor in North America and that certainly indicates the idea of the preference of a pipeline through Alberta. There are a number of extensive reports done, one particularly where Gas Arctic participated. It is involved in the \$300,000 study which deals with the question of pipelines, the question of rails, and the question of a highway. It was with that idea in mind, when we examined these, that we should have the proposed pipeline conference in the Province of Alberta. It is intended that at this proposed pipeline conference we will have all the reports that have been done, take a look at them and examine all these aspects -- not only the two oil and gas pipelines, but also the road and the railway possibilities of entrance to the north. So, I think at that kind of a conference, the question that the hon. Leader of the Opposition has raised would be answered.

Attracting Industry to Alberta

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. the Premier. Since your government has apparently decided to continue the Social Credit policy of retating succession duties, what specific steps, if any, are you taking to encourage trust companies to advise their clients to ship their assets to Alberta?

MR. LOUGHEED:

Mr. Speaker, I would refer that question to the hon. Provincial Treasurer. As I mentioned in my remarks earlier in the House, I do believe that it is an important policy decision that was taken by the previous administration, which we fully supported at the time. We have continued with that policy. Certainly there are two sides to the question and there has been criticism raised. On the other hand, I was interested to know, and I am sure the hon. member was, that a press report -- I believe in the press of Saturday -- indicated that a number of Alberta businessmen who had previously moved to British Columbia were now reassessing the judgment of that. It may have had something to do with climatic conditions, but they stated that it had more to do, as I understand it, with the economic stability and the tax policies here. So I do think that it is very important, and I think it will have a growing impact upon the economy here in Alberta. And we are quite prepared to withstand the criticism that is levied on the issue. As far as the specific matter is concerned regarding trust companies, and any possible pressure of that nature, if wise at all, I would have to refer that to the Provincial Treasurer.

MR. MINIELY:

Mr. Speaker, I think the hon. Premier has indicated quite fully the implications of the succession duties and gift tax not being levied in Alberta.

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I would add one thing to it namely that, in terms of public communications across Canada, in some ways it has worked even more to the benefit of the Province of Alberta after the new federal tax reform. Because as formerly was the case, as you know, we were rebating 75 per cent, and in terms of persons who were considering moving possibly to the Province of Alberta, it was not as clear a freedom from the tax as it is presently. In other words, Alberta now sits clearly free of an estate tax, succession duties and gift tax, and 100 per cent clear and free of that.

With respect to the trust companies, I would only say that the reports I have back are similar to those the hon. Premier has indicated; that businessmen are giving consideration even more so now to Alberta. We are pleased with the indications that we have through the Industrial Development Department -- the hon. minister may wish to elaborate. He is not here today -- he's in Grande Prairie, the hon. Premier tells me, on an industrial development mission there. I know that in talking to the hon. minister, through his department, they are selling this as part of their job of encouraging businessmen to locate in the Province of Alberta. It is being tied in, in both directions.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Are you aware that Montreal Trust are currently advising their non-resident clients to shift their assets to Alberta? And do you not feel that this would be an area where you could implement new thrusts?

MR. MINIELY:

Mr. Speaker, again I would say I was aware of Montreal Trust. As a matter of fact, I have had some conversations with their office here and with other people. Certainly, we are encouraging them. If they feel that conditions are such, we are encouraging them to communicate this, in co-operation with our own Industrial Development Department, to fulfil our direction in developing more industry in Alberta.

MR. LOUGHEED:

Mr. Speaker, I would like to add a comment here on a very important issue. That is, I believe we should be giving consideration, both in the government and in the Legislature, to consider in the future some tax policies that would permit us to assure that the investment of these funds and a shift of this capital into the province is used in the most productive way possible by way of developing a job creation factor in the province.

I would hope, during the course of discussion and debate in this Legislature, that we might be able to consider some types of tax incentive systems to take full advantage, or further advantage, of the transfer of capital into this province -- so there would be an acceleration of the utilization of that capital in such a way as to ensure that it is being invested in an entrepreneurial way for the development and creation of jobs in the province. I really think, in respect to both the former administration and the present one, that although the policy is a good one, there may need to be a development of that policy to assure that these tax incentives are followed through.

MR. RUSTE:

I would like to ask a supplemental question. It may be to the hon. Minister of Agriculture or to the hon. Provincial Treasurer. What is being done by the government, and I am thinking particularly from the agricultural end of it, to get this information out to -- I am thinking of father-son transfers and some of these cases that

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would ideally suit this, providing enough capital is made available so they can get the basic transfer and then the rest we could follow with say, the elimination of the gift tax?

DR. HORNER:

I am sorry, I didn't hear the first part of your question.

MR. RUSTE:

I was asking, what steps is your department taking to get this information out to the agricultural community so that they can benefit to the greatest degree from this policy change?

DR. HORNER:

Mr. Speaker, we have already initiated a series of programs in relation to getting information on the whole package of tax reform that has been put through in the Federal House out to the people engaged in agriculture particularly. We have in the department at the present time been setting up a lawyer, who is also a professional agriculturalist, as an advisor in relation to tax matters for the farmers. We are hoping this would be part and parcel of, not only the management courses we are operating through manpower, but additionally, in relation to the input into the courses that Unifarm and the NFU are sponsoring so that we can get the widest possible examination of the new tax implications for farmers in Alberta.

MR. DEPUTY SPEAKER:

The hon. Member for Pincher Creek-Crowsnest, then the hon. Member for Spirit River-Fairview.

#### Mineral Rights

MR. DRAIN:

Mr. Speaker, referring back to a question to the hon. Minister of Federal and Intergovernmental Affairs of last Thursday about which he sought more information. Basically it relates to this; the Alberta and British Columbia governments are considering the formation of a jointly owned mineral negotiation corporation which could deal with exports. At present the prime product would be coal and in the future other products would be added. This would lead to the organization, exploration, production and marketing. My question, sir, was, is this correct?

MR. GETTY:

Mr. Speaker, what has happened is that there has been a series of alternatives which have been considered regarding this matter and without getting too heavily into an area which involves one of my colleagues I could refer this for additional information to the hon. Minister of Mines and Minerals.

MR. DRAIN:

A supplementary, then, to the hon. Minister of Mines and Minerals. Have the coal producers of the province been contacted with regard to their feelings about the Department of Mines and Minerals falling into bed with them?

MR. DICKIE:

Mr. Speaker, first let me thank the hon. member for giving me some notes on this question that he is proposing to ask. He didn't phrase it quite that way -- and I have to take exception to the way he phrased his question. I would like to say this; perhaps the hon.

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members will recall that last September and October there were a number of Japanese missions over here expressing concern about some of the contracts that were issued. We immediately called a meeting of the coal producers in Alberta and British Columbia to discuss these problems with them. When we had our discussions with them, as well as with Japanese businessmen and Japanese officials, we came to the conclusion that one of the real problems was with what the Japanese referred to as 'the one window concept.'

What the Japanese meant by the 'one window concept' was this. They would come over here and deal on a contractual basis. They might appear in British Columbia and deal with two or three different ministers involving the mines and minerals environment; they would also then come to Alberta and do the same thing. In addition, they would then go to Ottawa and meet two or three federal ministers. All of this presented a difficulty from a contractual point of view to know actually who they were dealing with. This is how the 'one window concept' was submitted to us.

In our discussions with the coal producers we assured them at the first meeting that our government was a free enterprise government, that we didn't want to interfere in any way with contractual obligations but we would like to work with them and assist them in any way we could.

Now appreciating the fact that Alberta and British Columbia, I think, have approximately 87 per cent of the coal reserves, we were vitally concerned from British Columbia and Alberta's point of view, more so perhaps than the federal government. In other words, they might not treat coal as the number one priority. So we had to get across the idea of how we could develop this one window concept to the Japanese, and still not interfere in any way with the jurisdiction of the federal government.

So this is how it developed that we would consider what we called a "Pacific Rim Corporation." And I might say to the hon. members that this is just in the discussion stage. It would be a type of organization that would be a joint venture between Alberta and British Columbia to work and assist the businessmen in their contractual obligations and contractual problems with the Japanese.

MR. DIXON:

A supplementary question, Mr. Speaker, regarding Japanese contracts, in particular with regard to coal. Is the hon. minister aware of the serious situation at Canmore where the strip mining operations are going to cease because of coal transportation problems? The coal is stockpiled and they have no further place to stockpile it, either at Canmore or at the west coast. I was wondering if he or the hon. Minister of Federal and Intergovernmental Affairs made the federal government aware of this situation, because many people face unemployment in the Canmore area.

MR. DICKIE:

Yes, Mr. Speaker, I'm pleased to answer first with respect to the situation in Japan itself. Of course, the steel production has dropped off approximately 5 per cent and that has an effect on coal. With the various Japanese missions over here, we have asked them specifically this type of question all the time -- what they are looking to in the future -- what their demands might be for coal -- this year and in the next few years.

Dealing specifically now with the Canmore situation, we did hear some of the reports that have been emanating out of Canmore. The Minister of the Environment and I have been dealing with this. The hon. minister had a conversation with them this morning and I'm sure

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he would like to answer specifically the question that you raised with respect to Canmore, so I yield the floor to the hon. minister.

MR. YURKO:

Mr. Speaker, it is certainly correct that Canmore Mines have temporarily suspended operation of their strip mine on the face of Mount Rundle, basically for two reasons. The first is that the railway cannot move their coal as fast as they want it moved, and as a result, there is a build-up in inventory. Secondly, they have lost some markets because of the softening of the demand for coking coal, and this is bituminous coal that they are mining in their strip mine. However, I am not that concerned about people being laid off because they indicated to me that they are going to be using their entire equipment, and supposedly their manpower, in connection with reclamation of areas that they have now strip mined. So they are going to advance their reclamation procedures.

Preservation of Historic Sites

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to either the hon. Minister Without Portfolio in Charge of Tourism or Northern Development. Has the government had an opportunity to study the submission prepared by the Fort Dunvegan Historical Society with respect to developing the site in keeping with its recreational potential, as well as its historical significance?

MR. DOWLING:

Mr. Speaker, no, I haven't had the opportunity to study it. I am aware, certainly, of Fort Dunvegan; I have visited it on a number of occasions. However, I have recently directed letters to the hon. Minister of Culture, Youth and Recreation, the hon. Minister of Lands and Forests, and the hon. Minister of Highways, asking for any recent information any of these gentlemen have regarding their departmental involvement in picnic sites, historical sites, etc., in order that an assessment can be made of these areas in the entire province.

MR. NOTLEY:

Supplementary question that I suspect should go to the hon. Minister in Charge of Recreation, and that is; has the government given any consideration to the purchase of land immediately adjacent to this site which contains the original Hudson's Bay factor's home, which still stands? A number of the local people are worried about its position.

MR. SCHMID:

Mr. Speaker, to my knowledge no consideration has been given, but it would be very interesting to hear from the people involved to see what the government can do to help the preservation of these historical sites. We now have an inventory of about 3,000 historical sites in Alberta, and hopefully we will add another 1,500 during the course of the summer, under our student employment program. Also, of course, as perhaps all the members are aware, we are also holding hearings under the Department of the Environment, and once these hearings are completed, hopefully then, we can introduce the best legislation possible in North America for the preservation of our historic sites as well as our cultural sites.

MR. NOTLEY:

One final supplementary question on this. I suspect this one should go to the hon. Minister of Lands and Forests. Has the government considered turning the river valley near Dunvegan into a

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provincial park, as I believe was considered by the former government?

DR. WARPACK:

I am not aware, Mr. Speaker, of a specific request recently, but it may very well be that this was a suggestion made earlier and had been under consideration. And I might say, Mr. Speaker, that we intend to look with due consideration to any suggestions for provincial parks, either to the preservation of their natural geographic contribution to Alberta, or to their recreational value to the people of Alberta.

MR. DEPUTY SPEAKER:

I believe the hon. Member for Olds-Didsbury and then the hon. Member for Camrose.

Task Force on Urbanization

MR. CLARK:

Mr. Speaker, I would like to direct a question to the hon. Minister of Municipal Affairs, and ask him what was the amount of the contribution made by urban municipalities in Alberta towards the Task Force on Urbanization in the year 1971-1972? A ball-park figure?

MR. FUSSELL:

Mr. Speaker, the ball-park figure would have been in the neighbourhood of about \$39,000, had all cities contributed.

MR. CLARK:

Mr. Speaker, a supplementary question then. Could the hon. minister give me a ball-park figure that I assume would be included in the revenue estimates this year for the anticipated contribution by the urban municipalities under the reorganized task force?

MR. RUSSELL:

Mr. Speaker, the matter of funding for the task forces is under review, specifically, whether or not municipalities should, in fact, continue contributing because of their tight financial picture this year. As you know the provincial government contribution went up in an overall dollar amount in the vote this year. I'm presently having the trust account that was set up for the task force financial support examined in order to answer the kind of questions the hon. member is raising.

MR. CLARK:

Mr. Speaker, one last supplementary question. Then in the revenue estimates, there is no figure that is set out for contributions from the urban municipalities in Alberta towards the continuation of the task force? This is the Task Force on Urbanization.

MR. RUSSELL:

I believe that is correct, Mr. Speaker. I'm getting the details brought up to date of the present standing of the trust account. But I want to emphasize that the original financial agreement as proposed by the previous administration was not fully completed, and on that basis I think it's only fair to the cities that did contribute, that the matter be reviewed and this is what we're doing.

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MR. CLARK:

Mr. Speaker, just so there is no misunderstanding. I'm not concerned with the trust account. I'm simply concerned with the contributions that would have come from the cities for the year we are in now.

Family Allowances

MR. LOUGHEED:

Mr. Speaker, I wonder if I could clarify the matter that came up in the Question Period some days ago from questions from the hon. Member for Little Bow.

It has been brought to my attention that perhaps we have not been completely clear about our objections regarding social programs that have an element of universality to them, or an element of ability to pay, or the so-called means test.

It has been pointed out to me by members that in the course of my remarks in debate, and those of the Provincial Treasurer, we made it clear that our remarks were directed toward programs that affected senior citizens. But it has been suggested to me -- and frankly I was waiting for an opportunity to read Hansard on the questions asked me by the hon. Member for Little Bow, to see what the answers, in fact, were. I haven't had that opportunity so I would like to make it clear to all the members, and to the hon. Member for Little Bow in particular, that our administration's concern, or if you like, objection to the matter of the means test relates to the matter of senior citizens.

We have taken that view in relationship -- as I mentioned in my budget remarks -- to the question of the dignity of the citizen. But we do not consider that with regard to programs of a general nature -- and I think that this is where the difficulty arose in answering questions from the hon. Member for Little Bow regarding the family allowance and the proposed new changes by the federal government which have got away from universality and have developed an aspect of ability to pay, and taxable income. Our administration does not propose that approach, either by way of philosophy or in terms of practice, and I did want to make it clear, and perhaps if I haven't the hon. member may want to add further questions.

Licensing of Land Rovers

MR. STROMBERG:

Mr. Speaker, a question to the hon. Minister of Highways. One of my constituents owns a Land Rover truck and uses it for agricultural purposes only. Now why can't he buy a farm licence for this vehicle?

MR. COPITHORNE:

Mr. Speaker, a Land Rover is usually considered in the same category as a station wagon and this is the reason why they are not categorized as a farm truck vehicle.

MR. STROMBERG:

Supplementary, Mr. Speaker. If Land Rover vehicles are then being classified as station wagons or for use of pleasure, why then have the Department of Highways and the Department of Lands and Forests purchased two new Land Rovers? Are they being used strictly for pleasure and recreation by your department?

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MR. COPITHORNE:

Mr. Speaker, that's a very difficult question to answer -- and certainly I would hope that our departments are using them in a workmanlike manner.

Feed Bales Littering Highways

MR. SORENSON:

Mr. Speaker, a question to the hon. Minister of Highways. Have you had any complaints from motorists concerning hay bales and straw bales littering the highways?

MR. COPITHORNE:

No, Mr. Speaker, I have not.

MR. SORENSON:

A supplementary question to the hon. Minister of Agriculture. Do you consider this to be of a serious nature? This is an article from a Calgary daily and I quote:

"The Motor Association has requested RCMP to take action in cases of vehicles which are obviously overloaded and in danger of losing bales."

Are you in sympathy with this action?

DR. HOFNER:

Well, Mr. Speaker, I think that if we are going to improve the marketing of hay in whatever form, it has to be done in a workmanlike way, and one of the things is not to be dropping bales all over the highway.

Further to that, Mr. Speaker, I don't think that we are really getting the feed to where it is required if we drop it along the highway and I would hope that we can encourage the truckers, particularly, to load their loads in such a manner as to not lose bales along the highway because they can be extremely dangerous as well. So I am in favour, if that answers the hon. member's question, of tightening up the regulations so that, in fact, this kind of transportation does not result in danger to other people on the highways.

MR. DEPUTY SPEAKER:

The hon. Member for Calgary Millican and then the hon. Member for Wainwright.

Grid Road System

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Highways and Transport. Reports circulating in the press in the past week, and also in other circles, have indicated that the emphasis of the new government's policy is going to be placed on urban and tourist roads rather than market roads. My question to the hon. minister is, does this mean that the grid road system and the market road system are going to be dropped in preference to these two?

MR. COPITHORNE:

Mr. Speaker, I don't know what paper he was reading that article in, because I have not read it. It does not mean any such a situation at all.

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MR. DIXON:

A supplementary, Mr. Speaker. The reason I asked it is because this paper was formerly owned by the hon. Member for Calgary North, and I am sure it must be true.

MR. COPITHORNE:

Perhaps, Mr. Speaker, it is because it is under new management.

The Farm Implement Act

MR. RUSTE:

Mr. Speaker, a question to the hon. Minister of Agriculture. But before making it, maybe he would have The Farm Implement Act changed so that it makes for tighter sales. My question is, has he checked to see whether there have been any farm implement agencies cancelled out since the first of the year?

DR. HORNER:

Not as yet, Mr. Speaker. I might say in relation to The Farm Implement Act that the hon. member is quite aware that there was no administrator of the act named under the former government and that we have had to pick up the reins in relation to this act and to try and implement some administrative procedures because there were none until we took office.

Alberta Grains Commission

MR. RUSTE:

Another question to the hon. minister, if I may. That is, when can we expect the Return No. 140 dealing with the Kinsella Ranch, and number two, when will the revised terms of reference for the Alberta Grain Commission be available to the hon. members?

DR. HORNER:

In relation to the first question, Mr. Speaker, that return can be tabled almost immediately, and will be. In response to the second question, as to the revised terms of reference to the Grain Commission or the internal terms of reference which the Commission set up themselves, I will ascertain from the chairman whether or not they are available. But the general terms of reference that I have laid before the House still apply. The specific terms of reference, I think, that were referred to by the hon. Member for Smoky River deal with the internal organizational steps that the Grain Commission themselves have taken in relation to a variety of matters.

MR. RUSTE:

Well, Mr. Speaker, a supplemental to that. What I had in mind was the terms of reference referred to by the hon. Member for Smoky River in his talk.

DR. HORNER:

Well, Mr. Speaker, the hon. Member for Smoky River was referring to the organizational setup and terms of reference that the Grains Commission initiated themselves as an internal method of operating or administering. It deals with the question of dividing into smaller committees to deal with the various areas of transportation, marketing etc. that are involved. However, as I have said, I will make those available to the hon. members.

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Industrial Waste Disposal

MR. D. MILLER:

Mr. Speaker, I have a question for the hon. Minister of the Environment. Mr. Minister, are you aware of the new electro-gasification process presently being developed in New Zealand for the breaking down of human industrial wastes?

MP. YURKO:

Mr. Speaker, it seems to me that in the last few years, I have been more associated and more versed in the political gasification process rather than the electro-gasification process. Nevertheless, I read the article that the hon. member read and, of course, it has been referred to the department and I am sure the department will look into this matter. The article did indicate that the costs are very nominal in this type of treatment, and as a result I am sure it is a process that will be investigated by many areas in the world.

Mining Activity in Ribbon Flats

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Lands and Forests and ask him if he could explain to the House what activity is going on in the area commonly known as Ribbon Flats, which is almost adjacent to the Ya Ha Tinda area. I understand there are four or five Caterpillars in there and a number of trailers in that area and considerable concern has been expressed.

DR. WARRACK:

First of all, Mr. Speaker, I'd like to thank the hon. member for advising me of this question this morning. We did a very quick check and I really don't know who might possibly be there. There are mineral leases in that area and we do have before the government some applications for coal explorations, which, as probably most members know, involves the survey permit on a temporary basis according to approved plan to discover what the nature, quantity, and quality of resources are in an area. These applications are before the government at this time and they are soon to be given to the inter-departmental committee that these applications refer to -- no meeting has been held that involves these applications as yet. So, that is the status of that particular matter, and precisely what the physical equipment might be, I don't know, and it would take some time, I would think, to check it out.

MR. CLARK:

Mr. Speaker, do I have the minister's assurance that he will check it out and then report back to the House?

DR. WARRACK:

Mr. Speaker, I think I would assure that I will check into this in somewhat more detail. It may well be that the equipment, if it's there at all, is unrelated to matters pertaining to the Department of Lands and Forests, and this may very well --

MR. CLARK:

Mr. Speaker, just one more supplementary question. The concern expressed to me dealt with some possible actual digging in this particular area, and certainly this would be of concern to the Department of Lands and Forests.

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DR. WARRACK:

This, Mr. Speaker, I want to make absolutely clear. There has been no work authorized in that area at all, as of this date.

Civil Service Overtime Pay

MR. DIXON:

I would like to direct a question to the hon. Minister of Labour, but just so that the House is not being misled, the hon. Member for Calgary North Hill is still the general manager in the paper I quoted, so I think he's very active in the paper, for the benefit of the hon. Minister of Highways. My question, Mr. Speaker, to the minister --

MR. FARRAN:

Mr. Speaker, on a point of privilege. Will you please leave my private affairs alone and get on with your question?

MR. DIXON:

I shall be pleased to, hon. member, but I'm sure one of the prime considerations in the House is not to be misled in any way and I wouldn't want them to be misled. You still are the general manager, and that's a fact.

Mr. Speaker, last Wednesday I believe it was, I asked the hon. Minister of Labour if he had heard of the confusion that has arisen with the professional civil service staff regarding overtime, and you promised, Mr. Minister, to bring in a report, and I wonder if you have anything on this issue at the present time?

DR. HOHOL:

Yes, Mr. Speaker, moving aside the comments about the confusion, I'll take the intent of the question and say that the government's policy in this area hasn't changed from the previous government. It's simply this; there is no provision for professional staff to receive compensation for overtime at enhanced rates. We feel that it goes with executive work to not watch the hours and not count the hours. However, where overtime is excessive due to special or extenuating circumstances, the department head, that is to say the deputy minister can, at his discretion, release the person for some time of rest or whatever the case may be. If it's impractical because of the nature of the deputy's or senior official's position to take time off, the minister for personnel may arrange for overtime pay at straight time. This has been done in the past although it has not occurred since the 10th of September.

It is the feeling of the minister for personnel that executive work is of the kind that if it's necessary to work overtime or to work weekends, as has occurred in my own department when we have prolonged negotiations with some private or public sector of industry, then that simply goes with the job. Senior officials know this, so that for all practical purposes, there is no time off and there is no money compensation for professional people.

MR. DIXON:

Supplementary question, Mr. Speaker, to the hon. minister. The thing I wanted clarified, Mr. Minister, with the complaints I have had, some people say they work overtime for one day, and it depends on which department, some days they get two days off for doing the same thing; and where in other departments, they only give them one. This is where the confusion has arisen.

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DR. HOHOL:

Yes, Mr. Speaker, that is correct. This is discretionary to a department head. Conceivably, because it is discretionary, different deputies will exercise their discretion differently. It is my intention to take a very close look at this and provide some guide lines, so discretion is within the realm of common sense, that there is some uniformity. In general I would like to emphasize the fact, Mr. Speaker, that for professional people in executive work, the matter of overtime or time off in compensation, cannot be viewed as a regular part of government personnel practice. It is not.

Return Deposits on Bottles

MR. TAYLOR:

Mr. Speaker, may I direct a question to the hon. Minister of the Environment. Does the hon. minister still plan to introduce legislation at this session, making all liquor and wine bottles subject to compulsory return deposits?

MR. YURKO:

The answer is yes, Mr. Speaker.

Motor Cycle Insurance Rates

MR. DRAIN:

Mr. Speaker, I would like to ask the hon. Attorney General if he is aware that the insurance rates for motor bikes has quadrupled since last year, and that the regulations are that a 14-year old has to have passenger hazard. The regulations are that he cannot carry a passenger. So it appears there is sort of an ambiguous situation.

MR. LEITCH:

Mr. Speaker, the answer is that I have learned of these difficulties that arise out of the new legislation. And it is a matter we are presently looking at, both myself, members of my department, and the Automobile Insurance Board. We hope to find a satisfactory answer.

MR. FARRAN:

On the same question to the hon. Attorney General. The complaints I have had are not relating to the new legislation. They are, that 14- or 15-year olds who are not allowed to carry a pillion rider are being compelled to insure for a pillion rider whereas, so far as we know, the legislation only asks for public liability. This appears to be a common policy by all the insurance companies which has been in force in the last few days.

MR. LEITCH:

Yes, Mr. Speaker, that is something which has recently come to my attention, and we are looking into it.

Money for Power Development

MR. ZANDER:

Mr. Speaker, I would like to ask a question of the hon. Minister of the Environment. Some time ago -- last week -- I asked the question whether the hon. minister could give the House information regarding the monies that were either loaned to Calgary Power or advanced to Calgary Power in the development of the Bighorn, the Brazeau, and the Grande Cache areas?

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MR. YURKO:

Mr. Speaker, the provincial government contribution to the Big Horn development is \$5 million. The contribution to the Brazeau development is an interest-free loan of \$20 million. My department has not been able to find what contribution has been made to the Grande Cache development.

MR. ZANDER:

Supplementary question to the hon. minister. This \$20 million of the Brazeau Dam -- for what period of time is this interest-free, and what is the first issue?

MR. YURKO:

Mr. Speaker, I must admit I haven't got the details. I will have to report back.

MR. STROM:

Mr. Speaker, I am a little surprised that the hon. minister keeps referring to \$20 million. I would like to ask him, has he looked at the agreement?

MR. YURKO:

Mr. Speaker, I looked at the agreement some time ago but I have to indicate at this point in time that my memory on it is not that clear.

MR. STROM:

Mr. Speaker, for the information of the House I wish to inform them that the figure is \$13.5 million. I am a little surprised that a minister will keep referring to an amount of money when he does not know whether it is correct or not. He has been misleading the House by suggesting to them that the figure is \$20 million; it is \$13.5 million. I suggest that the hon. minister might do well to read the agreement before answering further questions.

DR. HORNER:

Mr. Speaker, just so we have it clarified completely, the hon. minister, in fact, has been misleading the House because he hasn't told the full story. In relation to the Bighorn there are another two or three million dollars for moving roads and clearing the reservoir. In relation to the Brazeau there were many millions of dollars spent in cleaning the reservoir and I would suggest to the hon. Leader of the Opposition, if we want the entire story, that it is there and perhaps the Public Accounts Committee might like to have a look at it.

MR. STROM:

Mr. Speaker, I shall be very happy to debate that point with the hon. Minister of Agriculture any day of the week that he would like to. I suggest that I don't have an opportunity in the Question Period to do it, but it will certainly be my intention to raise it at a proper time when it can be discussed in full.

MR. HENDERSON:

Mr. Speaker, I would also ask the Minister of the Environment if he is aware of the fact that it was not an interest-free loan, that the people of Alberta own the Brazeau Dam. It is owned by the people of Alberta. Is the hon. minister aware of that?

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MR. YURKO:

Mr. Speaker, I'll take a good look in this area and bring the facts before the House at the earliest opportunity.

MR. RUSTE:

Mr. Speaker, on a supplementary, I think maybe the hon. minister when he is looking, should look at some of the beneficial effects of that at the time it was built, and following.

MR. SPEAKER:

We have time for one more question.

Investment of Social Capital

MR. DIXON:

It's a new question, Mr. Speaker, a further supplemental to the Premier when he is speaking today on investment capital of our province. Japan and other countries, and I am sure, Canada as well, are concerned with the number of people who are not investing now in what they call social capital -- in other words, the very fact that we are talking about the power companies, the telephone companies, and utility companies, because they are afraid of government takeovers and other things. So I was wondering if the government had any intention at this session, or maybe at a future session, of bringing in recommendations that would assist in having people invest more in social capital which is really needed in the field of utilities and housing.

MR. LOUGHEED:

Mr. Speaker, I think it is a very important area, and obviously can't be dealt with effectively in a question period I for one, would be interested in the suggestions and recommendations by the hon. member, and presumably when we reach certain stages of the estimates, there will be an appropriate place to do that, and we will welcome his suggestions.

Senior Citizens' Rents

MR. CRAWFORD:

Mr. Speaker, I wonder, just as the question period ends if I could clarify the answer to a question asked last week on Thursday or Friday.

The hon. Member for Little Bow asked me whether or not any representations had been received by the government asking that the rates payable on senior citizens' lodges be increased. At the time I said that to my knowledge no representation had been received from the foundations. However, I have learned as of Saturday last week, that the Alberta Hospital Services Commission did receive representations from the Association of Senior Citizens' Homes and they received these representations in March. Included was a resolution asking that the provincial government be requested to increase the rental rates from \$80 to \$90 per month on shared accommodation and \$90 to \$100 a month on single accommodation.

At the time I answered the question I was relating mainly to the newspaper article in regard to Calgary and Edmonton accommodation that was published last week, and did not have present in my mind any brief that was, as a matter of fact, still to come to me from the Commission -- and it did on Saturday. However, I think I should add that it doesn't change the substantial answer to the question as I

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gave it at that time, and that was that the government is not considering any increase.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Select Committee on Censorship

MR. GETTY:

Mr. Speaker, I would like to move, seconded by the hon. Minister of Culture, Youth and Recreation, the following resolution,

Be it resolved that

- (1) a select committee of this Assembly be established consisting of the following members:

Chairman: Mr. Ernie Jamison

Members:	Hon. C. M. Leitch, Attorney General	
Messrs.	Frank Appleby	Doug Miller
	John Ashton	Bill Purdy
	Arthur Dixon	Ralph Sorenson
	Allison Fluker	

with instructions:

- (a) to review in all its forms the existing Alberta Legislation and practices related to censorship, and  
(b) to examine generally the policies and principles underlying such legislation and practices, and  
(c) to make such recommendations regarding the future of censorship in Alberta as the Committee deems necessary, and  
(d) to receive representations and submissions at such times and places and in such form as it deems advisable,  
(e) to meet at the call of the Chairman and submit its report and recommendations prior to November 15th, 1972.
- (2) Members of the Committee shall receive remuneration in accordance with Section 59 of The Legislative Assembly Act, and
- (3) Reasonable disbursements by the Committee, made for clerical assistance, equipment and supplies, advertising, rent and other facilities required for the effective conduct of its responsibilities, shall be paid, subject to the approval of the Chairman, out of Appropriation 2708.

[The motion was carried without dissent.]

COMMITTEE OF SUPPLY

MR. HYNDMAN:

Mr. Speaker, I move that you do now leave the Chair and the Assembly resolve itself into Committee of Supply for consideration of the Estimates.

[The motion was carried without dissent.]

[Mr. Deputy Speaker left the Chair.]

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[Mr. Diachuk in the Chair.]

COMMITTEE OF SUPPLY

Department of Agriculture

Agreed to without debate:

Appropriation 1101 Minister's Office \$ 43,205

Appropriation 1102 General Administration

MR. RUSTE:

With regard to Appropriation 1102 - I think in looking at the staff increases, there are seven positions and the amount of money is over 50 per cent increase. Maybe the hon. minister could just outline. It seems, when you look at it a first time, there is a seven increase in staff over the 29 previously but then the monies involved are over 50 per cent increased. Would the hon. minister outline the major expansions there?

DR. HOFNER:

Yes, perhaps before I do that, I do have some additional information with regard to the NA, or "not available" information. Our department goes through the Public Accounts and I have available for the hon. members additional information in relation to that particular column insofar as it was available from Public Accounts. We'll make it as available as we can.

In relation to the increase in this appropriation over a year ago, of course, this is the major administrative arm of the new thrusts of the Department of Agriculture, the three assistant deputy ministers, the planning and policy secretariat. These are the direct reasons for the expanded budget in the administration generally.

MR. MANDEVILLE:

Mr. Chairman, while we are on the vote on general administration I would like to make a few comments on provincial guaranteed loans to our agricultural industry. I know that many of us have a deep concern with getting our agricultural people into too much debt. However, I think if we have controls on these loans it will be of great help to our agricultural industry at the present time, and I especially think, as far as capital is concerned, this is one area that we should have long term capital made available for our agricultural industry, and I am especially pleased to hear that it is going down into our resource industry.

However, I do realise that it is an area on which we need many controls, and number one is that credit has certainly got to be tied to the marketing. In other words, before a guaranteed loan is made available, the producer should be able to have reasonable assurance that he is going to have a market for his product, so that we don't get our supply greater than our demand. This has been a problem in our agricultural area. I know of farmers in my own particular area that have borrowed money for capital and for operating, that are paying 10 per cent, 12 per cent, and even up to as high as 14 per cent. So if we can get them down to a realistic interest rate on their money, and control it, I certainly think that this would be beneficial.

As far as loans are concerned, I think they would be much easier to control than our grants. Sometimes with these grants you get people involved in an industry that isn't viable, because you give them a grant to get them established and they can't carry on with

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their operations after they've used up the liability of the grant. I am thinking of the Industrial Incentives grant. It has worked out very well in many areas; there are many examples that I can see where it hasn't worked so successfully. One example is Lethbridge. I am not saying that it wasn't successful down there, but we have a big grant going to one meat packing company; we have two meat packing companies that are in operation, and they have been operating very successfully, and then there is another big grant to another packing company. I'm not saying that this is not beneficial. However, it makes it hard for the other two packing plants to carry on with a viable operation.

Speaking of Industrial Incentives grants, there is one case in Bassano that I know the hon. minister has been working on. This is Bassano Grain Processors, which is an entirely new industry, one of the first of its kind in western Canada, and one that I think is going to create markets for more grain and more grain products. I am pleased that the provincial government is taking part in helping these people to get started, but I would certainly like to see them get a grant from the federal government, and to give them some help in this regard.

For some of you who are not aware of this plant, the firm consists of four men, farmers and businessmen, who set up this plant for dehulling grain. It also makes grits, which are used for making cereals. They are also making King flour, which is now on the market, and they are going into health foods which seem to be catching on in Alberta and in western Canada. I think this is an operation that is going to be very useful in western Canada. It's a process that we do have to go through with our grain.

On these guaranteed loans, I think the one that was announced -- the \$16,000 for our dairy farmers -- I have got to say that this a good program. I think it is going to help our dairy industry and as we all realize, we have a shortage of our manufactured products right now, and with our market sharing program and with the controls I am sure we can keep production in line with the supply, or the supply in line with production.

I was really pleased to hear the hon. minister mention that he was going to announce a program to help our potato growers in the southern part of the province where we have the biggest portion of our potato growers. I have a large percentage of it in my own particular area and I am very concerned about how they are going to come out of the situation that they are facing this year. The quality of the potatoes is very poor, and along with the quality being poor they went into the manufacturing in a big way. I know of one potato grower that has got a quarter of a million dollars invested in the manufacturing itself. So this is taking a tremendous amount of finance to operate the industry, as far as potatoes are concerned.

As I said before, I think we should make long term capital available for our potato growers, but as far as operating money is concerned, I think this should be on a temporary basis and I'm sure that it will be a good program because the potato growers are policing their own industry very closely themselves with the Potato Commission and also the Potato Association.

Another loan that we have to farmers and it's going to be continued, or it's going to be added to, and I understand it's going to be called The Agricultural Development Act, and I hope that it's going to be an extension of the Farm Purchase. I think this is a very good program that we've had \$21 million in, however, this was not enough money to keep this program in operation. I've checked on this particular program and again here, this is only a loan; it's a loan that the provinces are getting revenue from, and it has been in operation since 1958. Since 1958 there has been no loss to the

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province in this program. They have made 4,000 loans and out of the 4,000, there are 1,400 of these loans paid back and there are still 2,600 outstanding.

I do have some concern, I think with the \$5 million that was mentioned that will be going into this Agricultural Development Fund. I don't think that it's going to be enough -- I would suggest that even if we had this doubled, I think that we would have a big demand for this type of loan. As I pointed out, down in my constituency we had 63 names on the list, that would take \$1.25 million, and we have 60 municipalities, counties and I.D.'s in the province. So, I do hope that more than \$5 million goes into this program, and if it's not more than \$5 million put in at this time, in the Farm Purchase -- it could only go in by statute -- I hope the hon. minister will make it available so that it can be put in when the need arises, without being by statute, so that we can keep this program, or this Agricultural Development Act -- keep it viable.

I would also like to mention that the time is getting late, there are farms that want to change hands -- they are going to want to change as soon as possible. Some of our older farmers, if they could sell, they would like to sell as soon as possible, and I was wondering possibly if the hon. minister could, when he's up on this vote, if he could maybe answer this question. Would it be possible to start processing some applications, if I gather this right, that some of it is going to be for purchasing land? If some of our applications could be started to be processed at the local level now, and when the act does come in these applications could be handled at that time.

DR. HORNER:

Mr. Chairman, perhaps just a couple of brief remarks on the hon. member's remarks on this vote.

First of all, while the additional contribution of \$5 million is the statutory appropriation in the budget, the hon. member will be aware, of course, that in taking over the \$21 million of revolving funds, there will be additional funds available from that source as well for the area. I'm hopeful that the bill is now at the printers and that we can get it introduced into the Legislature at the earliest possible moment after it is printed.

In regard to the suggestion that we start to process the loans in the local areas, at the moment I'm afraid that this won't be possible if we're going to really do a job on this credit as we discussed. I think we have to be particularly careful that this credit is used in a responsible and reliable way and tie it to market opportunities. I would hope that we would be able to discuss with each client his particular credit needs in relation to whether or not he needs additional capital loans in a direct sense, or whether or not he wouldn't benefit more from a certain other type of program, such as the dairy program, potato program, which we hope to have announceable tomorrow. In this way -- in other words, let's tie our credit needs of the individual farmer to his marketing opportunity as well as the general marketing situation.

MR. NOTLEY:

Mr. Chairman, if I could ask the hon. minister a question, following up on this. My understanding is that the Agricultural Fund is to eventually total \$50 million, \$21 million of which is the revolving farm purchase board money. The \$5 million that were put in this year, do you have a timetable as to when we're going to reach the \$50 million objective -- is it going to be at the rate of \$5 million a year, or might there be a more substantial amount next year?

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DR. HOFNER:

Well, it would depend on our needs, Mr. Chairman, of course. But I would expect within the next three or four years we will be at the present maximum of \$50 million. I would hope at that time that we could come back to the Legislature, having dealt with the matter of credit in a responsible way, and that expansion of the fund, if it's required at that time would be proposed.

MR. RUSTE:

Mr. Chairman, in looking at further assessing this with the sheets that the hon. minister was so kind as to give us, where it referred to in that vote there was some actual spending of '70, '71 of the \$205 million, and then the budget last year for \$274 million. I am just a bit concerned here in that this, as he pointed out, is strictly in the administration end. You have the other votes in Nos. 1107, 1151, 1152, 1154, 1155, and 1156 that relate to marketing. My concern here is that for the seven additional positions it is over -- or shall we say double -- if you look back at the '70, '71. My question to the hon. minister would be, in the areas of the new staff at the deputy minister level, or assistant deputy minister level and the director -- are they in the salary range of the deputy minister?

DR. HORNER:

No they are not, but they are in a substantial salary range, of course, because of the qualifications and the capabilities of the people in the area. While there is only an increase of seven, these are the top and the key people in the whole revitalized department. I am sure the hon. member is aware that two of the assistant deputy ministers have been named and he is aware of both of them -- Dr. Donahue in the production side and Cy McAndrew in Family Farm Development. I might say that this includes those positions as well as the positions on the planning and policy secretariat. If we are going to deal with the complex matters that are related to federal relationships and with relation to export and the marketing push that we intend to do, then we require people of this calibre. The salary range, I think, is in the \$23 to -- I can give that to the hon. member -- but it would be in the \$20,000 range in any case.

MR. RUSTE:

I guess a final question would be -- are there any task force payments involved in this department as such, or is reference in the Lands and Forests aircraft and income from other areas? I don't know whether they need a vote in No. 1825.

DR. HORNER:

No, there is no task force money in this vote, nor are there any payments to Lands and Forests for aircraft in this area.

MR. CHAIRMAN:

Mr. Dixon.

MR. DIXON:

Mr. Speaker, I wish to congratulate the hon. minister on his talk the other evening. There were one or two points, though, that I would like to have him enlarge upon if he would. The first is, I wonder how he is going to define the difference between a corporate farm when you think of the fact that many of our present farmers -- some with small amounts of land, but some with large amounts of land who have incorporated -- how he is going to separate those, from say, a company like Swift's or anyone else that incorporates under the corporate farm. I am not doing this to be critical, I just was

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wondering how it was going to be done. Because I can see there are going to be problems.

The other thing that I wanted to speak on -- and I am speaking not as a farmer, although I have farms in my constituency -- I think that something that is going to concern a lot of our city people is the farm as a factory; in other words the intensive production of farming.

There are a lot of people in our cities, and I am sure in our rural areas as well, who have concern regarding the welfare of some of the animals and the poultry that are raised under this particular type of farming. There was a good article some few months ago by Dr. Franklin Loew of the Veterinary Department of the University of Saskatchewan. He laid down some guidelines and the reason I am bringing this up -- I just want more or less to get the hon. minister's reaction and to see whether his department is going to take a closer look at this type of factory farming, because in the city, when we have factories that are processing meat products or anything to do with animals, they are fairly rigidly inspected. I am just wondering how much of an inspection is carried on once they get outside the corporate boundaries of cities in Alberta?

Dr. Loew, along with others, has advocated every animal should have sufficient freedom of movement to get up or to lie down, or to groom itself, or to groom normally, turn around and stretch its limbs. Then facilities should be provided to train stockmen in the operation of intensive husbandry units and maybe that is being done now in due course. These are some of the things that I would like to get out in the open because I feel if people decide -- and they can get worked up sometimes on problems that they aren't fully conversant with and they aren't sure what is going to happen. They may say: "well, I'm going to boycott that particular industry because of what's going on." This has happened in other countries, and it could happen here, because people are becoming concerned.

I think there should be some minimum standard sizes for types of cages and stalls that should be set by law for poultry, pigs and cattle. Poultry should have room to spread their wings and I thought the minister might be interested in a poll that was carried out by the farmers themselves and by the public and these figures are quite interesting. The question was asked, "Should poultry have room to spread their wings?" Well 78 per cent of the farmers said yes, and 91 per cent of the public said yes. So the consumers said 91 per cent and the farmers that are raising the poultry, 78 per cent agreed that this should be done.

"Cattle and sheep to have access to the open area for some part of the day in fair weather" -- and 76 per cent of the farmers said yes, and 80 per cent of the public said yes to that question.

The other question was, "Freedom of all animals to turn around in their stalls." Eighty-five per cent of the farmers said yes and 87 per cent of the public said yes. There were two or three other recommendations made that I thought the minister might be interested in pursuing further, because I'm sure he's as interested in this area as any of the rest of us.

Dr. Loew made two recommendations: (1) The federal Department of Agriculture should increase the use of services of trained animal behaviourists in conducting research into the behavioral effects of intensive husbandry, particularly in swine and chickens, and (2) anybody involved in intensive livestock production -- and it's amazing how many people are involved in this livestock production, they start off with the architects, the agriculturists, the veterinarians, engineers, animal behaviorists, representatives from consumer groups, etc -- they should be brought together to study the subject. I touch on the last thing -- the consumer groups -- because

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consumer groups should be involved in this in order that they can be shown how these animals are raised under intensive farming, because many people are concerned. I don't think it would hurt to have that group in particular included.

Dr. Loew said, "In Canada we should concern ourselves with two main questions." And here is some food for thought, "To the producer," he says, "is production the sole criterion by which a farming practice can be justified?" And he says to the public, "Could you or would you pay the higher food price which would result from lessening the intensity of livestock and poultry production?"

I only bring these matters to the attention of the House and to the minister in particular -- I'm sure he'll be able to assure me that a lot is being done in this field. I don't think it hurts to emphasize it. If the consumer decides that he's not happy with the way these animals are being raised -- and I hear it more and more all the time -- they say; "I'd like to buy a chicken that was allowed to run around the farmyard rather than to be raised in a cage he can hardly turn around in," so I feel that these are very serious things and I bring it in a constructive way to the House. Once again, to the minister, I would appreciate it if he would like to enlarge on this now, or at a little later date in the debate.

DR. HOFNER:

Mr. Chairman, might I just deal with the first question in regard to corporate farming. I think the first yardstick that should be used would be that the company -- whether it's a family company or a family operating under a corporate structure -- should make a decision whether they want to be in primary production or in the processing end. We don't look with favour on them being in both. There are other definitions of corporate farming that will have to be developed, but I think essentially we have to take a pretty broad view that we want to maintain the primary productive opportunities for the individual farmers of Alberta, whether they are set up as a family company or otherwise. I don't think we should be too alarmed about it.

In regard to the minimum standards under intensive farming that the hon. member mentioned, there are these standards now in a great number of areas and we're developing more as we go along. Certainly the marketplace will dictate the kind -- and the member used the example of chickens -- the kind of chicken that will be developed. I want to suggest that I think they will be developing a market for the other style of chicken which did do a little walking, and had a little muscle, and therefore more meat.

The question of animal behavior in relation to intensive confinement is being studied and is now being related to human behavior. There have been some interesting experiments done in relation to this, which have been helpful to the medical profession and to the psychologists and psychiatrists. I want to suggest, after having visited Saskatoon and the Veterinary College, that our veterinarians are very aware of the psychology of animals, the whole question of animal behavior, and also to say, we are very proud of the veterinary staff we have in Alberta, both those who work for the department, and those in private practice here, and to suggest to the hon. member that the number of veterinarians in Alberta should increase fairly rapidly over the next few years because of the additional output of the college in Saskatoon. I would expect more and better veterinary medicine, including the psychological aspects of it, to be practised.

In relation to the consumer group idea, I think this is excellent. This is one of our high objectives in the department, to get the consumer more involved in the whole matter of what is involved in the production of food. We think there is a real opening

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here for additional information, additional communication with the consumer group. To that end, I can say we intend to appoint consumers to some of our marketing boards and this type of thing, to get them involved. In addition to that, we are considering a different type of project rather than farmer's day in the future, planning some kind of agricultural week, in which we would try to have an intensive educational or communications program relating to rural and urban life styles -- the full facet of the production things that come into play.

Certainly, the ideas the hon. member brought up are worthy of consideration. I can assure him the minimum standard thing is moving along and that we, in fact, now have a fairly efficient set of them. We will be watching this, because I think all of us involved in agriculture or as consumers are concerned that humane and reasonable treatment of animals, whether they be birds or cattle, is very essential. I can assure them we will keep a close eye on them.

MR. DIXON:

Mr. Chairman, just one more thing I forgot to mention when I was on my feet, but I thought it would be advantageous. I have had a number of public relations men who are paying attention -- and I congratulate this government for carrying on what the other government started because I think it is a good program, advertising Alberta agricultural products such as pork and beef. A number of public relations men have come to me with the suggestion that rather than talk about pork as such, they thought there might be some spot ads. We're not condemning the program; it is a good program. It is only coming from them as a suggestion. They say about 5:00 o'clock, if you could have those spot ads, for example, where we are trying to sell our bacon and our eggs, if the ads said, "How about having an Alberta dinner today, dear, with bacon and eggs?", rather than go into the great detail about the pork or bacon or whatever you want. They thought this would be especially good on TV or radio. They thought if they changed the format a bit, it could be even more effective than it is in helping to market some of our products. Maybe on Saturday afternoon, talking about Sunday dinner. "Have an Alberta roast beef dinner," or something. They thought this would encourage the use of Alberta agricultural products to a greater degree than talking about the pork or beef and the quality of the pork or beef as such.

MR. FRENCH:

Mr. Chairman, I have a question for the hon. Minister of Agriculture. I am not sure if it should be directed to him or another department, but I have had an inquiry requesting details of the assistance which will be made available for the construction of a feed mill. My question is, should this be directed to the hon. Minister of Agriculture or the hon. Minister of Industry and Commerce?

DR. HORNER:

Mr. Chairman, we hope the Agricultural Development Fund will be retained for primary producers or farmers, and that the Rural Industrial Fund under the Department of Industry would be used for the industrial part of the processing of agricultural products. As my hon. friend from Bow Valley has pointed out, \$50 million sounds like a lot of money, but in fact we would like to keep the greater majority of this, and I mean 99 per cent of it, as funds that are available for the primary producer or the farmer in developing his agricultural enterprise. On the other hand we appreciate that the rural industrial loans are available for this kind of industry. In relation to the specific question, yes, they should make their application to the Department of Industry and Commerce. We plan,

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down the road, to have an exchange of directorships in the two funds so that we could both know where we are going.

MR. FRENCH:

A supplementary question, Mr. Chairman. This inquiry has been made to the Department of Industry and Commerce, and the reply was the money had been exhausted; and so I was just wondering when we would know if there are going to be other funds available.

DR. HORNER:

It is on the Order Paper. In fact the legislation is on the Order Paper now and will be brought into the House very shortly.

MR. CHAIRMAN:

Mr. Clark.

MR. CLARK:

Mr. Chairman, there are about four points I would like to raise with the minister. This may not in every case be the exact place but if he would care to respond now or later. One is with regard to the farm purchase credit operation, and with the additional \$5 million, plus I believe it is about 1 1/2 million or 2 million of the revolving portion, how will this be done on a provincial basis? Will it be apportioned out by a municipality? That is the first question.

Secondly, what will be the role of the Local Advisory Boards, which I think to quite an extent have served a very useful purpose as far as the operation of the fund credit boards?

And then thirdly, you mentioned consultation with the farmers involved as far as use of capital. I think a number of members of the Assembly have on occasions heard complaints of the federal Farm Credit Corporation operation. In fact to get money through the federal Farm Credit Corporation, at least some farmers have expressed to me that they are literally tied up and have very little flexibility in their own operation. I ask the minister to explain how this credit consultation is going to go on, because where I approve and think there is a real need for consultation here, I think it would be a shame if we went too far and farmers got tied up to the point where they virtually had to get approval from some agency for almost anything they do.

And the fourth comment, Mr. Chairman, would be dealing with the future of the agricultural and vocational colleges. I support the idea of moving the colleges from Agriculture to, I would say the Department of Education, rather than to one of the two departments. But the point is this, that I think these agricultural and vocational colleges have made a significant contribution over a period of many years to the agricultural community in Alberta.

I would be very interested in hearing from the minister what kind of input the Department of Agriculture or the agricultural community is going to have in the colleges, and this is with no disrespect to the Minister of Advanced Education. I think it is very easy, with all due respect to professional educators, to get some professional educators involved in the thing and before very long you have to have grade 12 or one or two years of NAIT or SAIT or a university before you can take advantage of the programs there. And that would be defeating the whole darn purpose.

DR. HOENER:

. . . right now, Mr. Chairman. First of all, in regard to the Farm Purchase Board and the use of Local Advisory Boards, let me say

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this in a general way, because we can expand on it when the legislation is before us. We would intend to continue some of the general format of the Farm Purchase Board's activities and we would be expanding the Local Advisory Board; and our concept would be one of an Agricultural Development Board in each of the areas to handle this and other matters, so that we would have local input in an expanded way rather than any restriction of that.

I agree with the hon. member with regard to the personal freedom of the farmer to make his own decisions. My concern of course, going back to the other question about credit, is that we should be more concerned about the farmer's cash flow rather than his equity, so that in fact he can pay his debt and improve his income at the same time. Thus our primary concern would be the question of cash flow and improvement of income. That is our primary objective.

In relation to the question on agricultural and vocational colleges, we certainly appreciate that point of view and one of the members on the policy secretariat will be an agricultural educational liaison officer. In addition to that we have set up a committee to review continuing agricultural education that is available in the province in relation to the agricultural colleges, but also in relation to some of the junior colleges. As my friend appreciates Lethbridge has a fairly substantial program and a good one, so that we would continue to have some input into these areas. I agree with my hon. friend very much that sometimes professional educators can get carried away and this means that some of us who are lay people in that field should have some contribution and certainly the agricultural industry should.

MR. CLARK:

Mr. Chairman, there is one comment that I would make if I could for just one moment, and that would be that I appreciate the professional educators get carried away, but they are not the only profession that gets carried away.

MR. FOSTER:

I am in defence of the professional educator. But if I may enter this discussion for a moment, I appreciate the comments raised by both, and assure the hon. member opposite that we are very much aware of the merit of your comment and have been anxious to devise the machinery that will allow these institutions to still get the input they need from the rural community and not get ourselves tied into the kind of thing that we were talking about. So we are very much concerned about it, and if at any time we feel it's not working, or anyone who gets that impression, we would like to know about it.

MR. GRUENWALD:

Just a short question to the hon. Minister of Agriculture as a result of an inquiry, just on Saturday as a matter of fact, regarding The Farm Credit Purchase Board. The people who have access to that - must they be farmers now, and own land, and living on a farm?

DR. HORNER:

Not necessarily so.

MR. GRUENWALD:

Not necessarily so. Then, if they have other income besides the farming, that again would not necessarily exclude them, that is -- not automatically. The other one - the maximum amount, what would you expect it to be for any one individual? Is there a maximum amount?

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DR. HORNER:

Yes, there is in the present legislation -- of course, there is a maximum amount of \$50,000. We would consider when the legislation comes forward, removing the maximum so that we would have some flexibility to deal with the farming community on that basis, because I'm sure the hon. member appreciates that different types of farming require different kinds and amounts of capital, and we would want to have that kind of flexibility that would be able to take advantage of marketing opportunities.

MR. GRUENWALD:

I would agree with that 100 per cent, no question. The other question is, if a farmer is trying to do something for his sons, would their age have to be 18 or more before they could, on their own merits...?

DR. HORNER:

Yes, 18.

MR. GRUENWALD:

Thanks.

MR. NOTLEY:

I was intrigued with one statement the hon. minister made dealing with local advisory boards, dealing of course with the Farm Purchase Board and other things. I would be interested in perhaps an expansion of that. Does the government foresee any substantial enlargement in the roles, and what would that enlargement entail?

DR. HORNER:

Well, I think that we would handle that role in an advisory capacity on a number of fronts, because, again, I don't think you can deal properly with credit just on the basis of credit; in other words I would hope that we get some input, for instance, from the local farm development committees in relation to marketing, because I think they have something to contribute. I would hope that they would give us some input in relation to other problems in relation to costs of farming that we are concerned about and interested in trying to at least put some sort of roof on, anyway.

So the whole gamut of the agricultural industry has particular differences in each of our areas in the province. Also, I think it might be a useful way in which we could get some feedback from the people who are directly involved in relation to, not only credit but other areas as well.

MR. D. MILLER:

Mr. Chairman, I would like to ask the hon. Minister of Agriculture one or two questions with respect to marketing intelligence on Vote 1150 and 1151. Could we clarify those to see if you have anything planned in the assistance of the marketing of row crops.

I spoke in the Throne Speech or the Budget Debate about the condition of row crop marketing, the processing of them and suggested they be labelled Alberta. I have no objection -- I think you'll know what I'm driving at now -- I have no objection to them being labelled BC as well, but I think that anything that is labelled in Alberta, if we are going to offer any marketing assistance and organize any organized method at all to urge people to buy Alberta goods, they have got to be identified on the shelves. And what I mentioned

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before: "Why don't they buy Alberta goods?" and they come back to me and say; "Where are they?" Then I have to figure out what the name brands are because it says EC and they are processed in Alberta. Can you expand on that?

DR. HORNER:

Yes, that is one of my favourite ones. I think we have to have a major attack on the domestic area, and, as I mentioned in Medicine Hat the other night, we are already doing a survey with regard to the processed food industry in Alberta and, in addition to that, another survey in relation to the actual extent of the domestic market for the convenience foods, the prepared foods, the TV dinners -- this kind of thing.

Now, in addition to that, we are in the process of developing a label, if you like, that could be applied to almost any agricultural product produced in Alberta, and we would want this to be distinctive enough that the ordinary housewife or consumer would be able to spot an Alberta produced product at sight and then tie that in with a marketing program of advertising and communications. We are well on the way to this, and will have it functional shortly.

MR. CHAIRMAN:

Yes, Mr. Wilscn?

MR. WILSCN:

Mr. Chairman, in the discussion of the general administration of the Department of Agriculture, I was most interested in several of the comments raised by the hon. Member for Calgary McCall the other evening, and I don't believe the hon. minister has commented on any of those points. Perhaps we could give him the opportunity to do so now.

I'm sure the hon. minister recognizes the many benefits of exporting horses from Alberta and I'm not referring to the canned type; I am referring to top quality horses, good breeds, race horses, polo horses, jumping horses, quarter horses, and things of this nature. I am just wondering where this fits into the overall agriculture picture under the hon. Minister of Agriculture; I am wondering if he has any plans for encouraging the exporting of top quality horses of all breeds, if he envisions anything to improve the breeds of horses in Alberta, for example, breeder's fees and things of this nature.

I would also be interested to know how much of his budget goes toward equine research, because I do know of several private organizations in the province who do contribute donations to the college in Saskatoon for equine research. I am also sure the hon. minister recognizes the many benefits of encouraging show classes for all breeds of horses, particularly when it involves youth. Now, I am just throwing out several questions, sir, and would appreciate it if you would make some comments on these.

I am also concerned about equine diseases. I notice that the Canadian Standardbred Association, and I believe it is the only breed so far in Canada that has taken a firm stand, requires that all of the Standardbreds that are raced or registered in Canada must have a Coggin's Test, and if they don't pass the Coggin's Test they cannot be registered, they cannot race, or if they have been previously registered they lose their certificate. So because of the easy manner in which this disease can be transmitted from one horse to another, I am wondering if the hon. minister has given any thought to encouraging other breeds to implement similar regulations in their breed standards, particularly the thoroughbreds, and also amongst grade horses. You can have a registered horse that passed the

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Coggin's Test in a pasture and it can be infected by a grade horse from the next field and I am just wondering if the hon. minister has any comments in this regard.

In summing up we would like to invite the hon. minister to comment on where and to what extent the horse industry in all its ramifications applies to his department.

DR. HORNER:

Mr. Chairman, I could make two or three comments in regard to the horse lovers in the Legislature and elsewhere; I'd point out to them that where I grew up on our own home place, we used horses long after everybody else was mechanized, because my father was a horseman from away back. I might also point out that my Deputy Minister is very prominent in The Light Horse Association and is an authority in that area so I think the department is well served in relation to the horse industry.

In relation to the question of making additional breeders fees available for the upgrading of the industry generally, my initial reaction would be that in this area we're dealing in a luxury field primarily, and the breeders themselves should take the lead in upgrading their stock. We'll give them every cooperation in the department.

In relation to the question of equine encephalitis and testing for it, it is a complex problem because a number of horses, particularly in northern Alberta, have been exposed over the years and now there are a lot of positive reactors. If you were to enforce the regulations as they now are, particularly in smaller fairs, it would be a real disservice and wouldn't be doing anything in relation to stamping out the disease. It is a complex antibody reaction that the test is based on, and we have been in consultation with Dr. Wells, the veterinary director general, and we are very cognizant of the problem and are working with the federal health specialists in an attempt to iron out the thing. So we are on the road to hopefully, eradicating encephalitis from Alberta.

This would be on both the question of testing and also immunization as we go along. And again when you immunize, you get a positive test and there are going to be some problems there, but it's one of those things that I think can be worked out over the next few years.

MR. CHAIRMAN:

Mr. Ho Lem, excuse me.

MR. HO LEM:

Mr. Chairman, on the improvement of the breed, I have this suggestion to the hon. minister; I hope he might take it to heart and perhaps do something with it. And that is that some governments are now purchasing and bringing in good studs -- studs of very high pedigree and so on, and then making them available to the horse breeders at a very reasonable cost so that it isn't prohibitive, as it is right now, to take your mare to a very high cost stud.

I was just wondering if this could be implemented in Alberta because certainly this would be a first step to increasing and improving the breed.

DR. HORNER:

Well, Mr. Chairman, I might say this to the hon. member that if the horsemen's association in any particular breed or specialty have a program that they can show us that will be worthwhile to a number

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of producers in the Province of Alberta and can show us that it is a useful and new program to initiate, we'll certainly consider it. As I said earlier though, I think that I'd like to see some leadership by the horsemen's associations themselves, and that they should then put the matter before government as to what government's role should be in this area.

Again, I'm sure the the hon. member is not suggesting, nor would he want to suggest, that we should use some of the funds that we have in the department for a specialized segment that may not help a number of producers. If they can show us where this in fact would be helpful, and there is in fact, some consideration being given right now to the establishment of native co-ops raising horses rather than cattle for the export-meat industry.

In relation to the hon. Member for Calgary Millican who had questions concerning the number of horses slaughtered in Alberta, we have the only horse slaughter plant in western Canada and the western United States, and the great majority of horses that are slaughtered here in Edmonton are coming from outside Alberta. Some of that meat is being shipped for human consumption in France and other European countries, and the balance goes to a variety of uses. However, that's perhaps a little bit aside from what the hon. member was talking about.

The answer to the question then, if I could just sum up, would be; if the horsemen will take the lead in their various associations; if they'll then come before government to suggest to us the role that they would like us to play, we'll give it every consideration.

MR. HO LEM:

Mr. Chairman, one further question to the hon. minister. The State of Washington is employing somewhat of a program that I've described and it's done, not as a subsidy to the horse breeders, but actually it is breaking even.

MR. CHAIRMAN:

Mr. Farran.

MR. FARRAN:

I would just like to add a few words in support of the views of the hon. Member for Calgary Bow and the hon. Member for Calgary McCall. I know the hon. Member for Calgary Bow also has a farm background and is interested in horses and so am I. As I understand it, from the history of this province, at one time this was a great place for raising horses before the First World War cleaned them out when they took every horse they could lay their hands on for the Remount Depot. Now you can drive through Alberta and you see two or three horses in every field and hardly a good one among them.

At one time this was a great export business for Alberta. We used to export large numbers of horses to the United States -- good horses, not only race horses but polo ponies and saddle horses and there were large ranches in the Calgary area that specialized in raising horses for meat when "weight for age" was even more of a slogan than it is today. The Bow River horse ranch used to raise Percherons for meat.

The point these gentlemen are making is not as far out, or as 'way out as some people might think. The comeback of the horse is very pronounced in North America. At the moment horses are being imported into Alberta from the United States. Many studs are coming in at great prices. So far as jumping horses are concerned, they are now being flown in from Germany, France, Ireland, and this is big business. Some of these horses are fetching prices as high as

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\$45,000 to \$50,000. Those horses that Gale Andam rides in the Edmonton Exhibition are very valuable horses. They are being bought from outside the Province of Alberta. This is great country for raising horses. It has many, many attributes. It may be not as good as the Kentucky Downs or Newmarket Downs in England but it is still one of the best places in North America for raising horses -- horses of all sorts.

Now I know we only levy a 5 per cent tax on pari-mutuels and that this is the lowest tax of any province in Canada, but this is partly because some of the money does go back to thoroughbred breeding. Nine per cent is left for the Western Racing Association and I believe about 4 1/2 per cent or 4 5/8 per cent I think it is, does go back to the breeders for the encouragement of improving the thoroughbred breed.

Just a short time ago we were talking about fellows being encouraged to come here with their capital because of a lack of a gift tax or succession duties. Already we can see that some of those fellows have come here and got interested in horses. We have Baron Carlo von Maffei owning half Calgary on which he is raising thoroughbred horses to race in the United States. Just south of us at Okotoks we have the well known Max Bell who is raising horses. He has been, as you know, a partner with Frank McMahon in the thoroughbred business. I think that the people who look down their noses at horses as a possible industry don't understand the potential. This is a branch of agriculture that may seem a little exotic, but which is a genuine industry that can provide jobs and can make money.

DR. HORNER:

Mr. Chairman, I can assure the hon. members that we are not looking down our noses at horses at all and would be quite interested in getting representation from the various groups. I do think that if there is a marketing opportunity in which we can involve our producers generally, I can assure the hon. member that we could raise innumerable numbers of horses in Alberta at any given market opportunity.

MR. CHAIRMAN:

Very well, yes. Mr. Miller.

MR. D. MILLER:

I would like to ask the hon. minister if he has anything in his folder or has anything planned to review the Agricultural Hall of Fame. I would like to know something about it. I have been reading this book lately "When the Winds Came to the Prairie Provinces". If you haven't read it, any of you, I would suggest it. He is very interesting. It is by A.E. Palmer. It was in the Speaker's Gallery the other day here, a couple of weeks ago, and Mr. Strom, I believe, introduced him to the Legislature. Here is a man who will be dead before long and he is not in the Hall of Fame. He is a man who travelled all over the prairie provinces and helped settle the dust. He encouraged the use of strip farming and the trash cover implements for it. I see Mr. Noble's picture is in the Hall of Fame.

DR. HORNER:

Mr. Chairman, the regulation or practice has been only every few years to make nominations to the Agricultural Hall of Fame. We intend to change that, and as I mentioned earlier, we are giving consideration to the idea of an agricultural week in the fall, perhaps around Thanksgiving. We would give our Master Farm Family awards then and also take nominations for the Agricultural Hall of

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Fame on a yearly basis during that sort of agricultural week in the fall. We're looking then to expand it.

MR. RUSTE:

Mr. Chairman, I think if the minister will check the files, there probably are some nominations already in there toward this end.

MR. CHAIRMAN:

Mr. Drain.

MR. DRAIN:

Oh yes, Mr. Chairman, I've been listening with great interest to the thoroughbred horse problem and the problems in marketing in agriculture and I was wondering if some of the ultimate end products of these horses would, considering their price, be rather a rare and exotic product that could possibly have a potential in the fertilizer field. For that reason, I was wondering if the minister would consider marketing thoroughbred horse fertilizer?

DR. HOFNER:

There's no market there.

Appropriation 1102 total agreed to \$ 401,520

Appropriation 1103 Agriculture Research

MR. RUSTE:

Mr. Chairman, on this, has the minister received an indication from industry as to their willingness to match the increased amount here?

DR. HOFNER:

Yes, that's why the increase is there, because the industry and farm organization votes have shown a willingness to put up additional money and that's the reason for the increase.

MR. STROM:

Pardon me, Mr. Chairman, will this be on the dollar for dollar basis as before, and have they, then, in the last year come up to the minimum that we had set, below which we would not drop, so that there was straight dollar for dollar matching?

DR. HOFNER:

Yes, it was up to \$200,000 last year and this is additional dollar for dollar matching with industry in relation to the \$275,000.

Appropriation 1103 total agreed to \$ 275,000

Appropriation 1104 Miscellaneous Grants

MR. BUCKWELL:

Mr. Chairman, could the minister tell us how many veterinary students are at Saskatoon? If you haven't got it, it doesn't matter.

DR. HORNER:

I can get that for the hon. member. I might just say here, Mr. Chairman, that I spent a day in Saskatoon reviewing the program there. I was impressed with the program that they have. I was

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impressed that we have 40 per cent of the places in the College of Veterinary Medicine at Saskatoon and that we are going to get substantially more than 40 per cent of the graduates coming to Alberta. We pay a grant to the University of Saskatchewan of \$2,500 per student and we have something like 80 students there at the moment.

MR. RUSTE:

Mr. Chairman, on that same vote there is an increase, I understand, to the Class A exhibitions. Is there consideration given to increases for some of the Class B's and those, because they are doing a very important job in this field as well?

DR. HORNER:

Yes, we are giving consideration under another vote in regard to other agricultural fairs, both in Class B and C and others in relation to prize monies, etc. This vote is primarily to Edmonton and Calgary of \$100,000 apiece and I would point out here to the horsemen, that they do get some of the money back in direct grants to the Edmonton Exhibition Association and the Calgary Exhibition Association. We are also making additional grants under this vote of \$25,000 to the Medicine Hat, Red Deer, and Lethbridge Exhibition Associations.

MR. STROM:

How much additional?

DR. HORNER:

They're getting \$75,000 apiece.

MR. RUSTE:

Did you mention to the Class A that they would be getting an additional \$100,000? Or what is the total amount they'll get on the vote?

DR. HORNER:

The total amount they'll get is: Edmonton and Calgary will get \$100,000 apiece, and -- I was wrong -- \$50,000 to Lethbridge and Red Deer and \$40,000 to Medicine Hat.

The balance of the advance here is to other commodity groups, such organizations as the Alberta Poultry Council for \$2,000; the Bee-keepers for \$2,500. This is offhand, I can get the full list, but essentially the major grants under this vote then are to the Edmonton, Calgary, Medicine Hat, Red Deer, and Lethbridge Exhibition Associations, and the bulk of the money is to the University of Saskatchewan in relation to our contribution of \$2,500 per student.

MR. STROM:

Has there been any move made by the Saskatchewan government to try and get that raised? There was a move made by the previous government, and I was just wondering if there was anything further forthcoming on this.

DR. HORNER:

Not on an official level. When I spent my day in Saskatoon talking to the Dean and a variety of people there, they pointed out that they are like everybody else who are having considerable problems of increased costs. They are looking to Alberta for an increase in the annual grant. I have not had anything other than

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that, other than informal discussions I had with the officials of the college.

MR. STROM:

Mr. Chairman, I don't know whether this should come under this vote, but it is related in a sense. Under this agreement, we have been getting a good deal as far as the province is concerned. Naturally, we would have liked to have seen the veterinary college in our province, but it has led to discussions with the province of Saskatchewan and the province of Manitoba in other faculties. That is, they have been discussing the possibility of joint programs in other faculties.

I was wondering whether the government has been pursuing this with the provinces of Manitoba and Saskatchewan for other faculties. I realize it was not directly on this but possibly --

MR. FOSTER:

Mr. Chairman, this is a matter which was discussed briefly in Regina at the First Ministers' Conference the day before the education ministers were present. At the present time, Mr. Chairman, the deputy ministers of the three provinces, Alberta, Saskatchewan and Manitoba, are assessing the extent to which our own students take advantage of other provinces' opportunities, and the relative exchange between provinces and the costs of this in attempts to discover, as I think is true of Alberta, who is a net importer or exporter, as the case may be, and the approximate cost. We haven't really decided where we are going to go from there, except we would like to know if we can, the extent to which each province's students are taking advantage of other provinces' opportunities. I think, following that information, we will be able to assess whether or not there should be some change in the contribution as between and among the provinces.

MR. STROM:

If I may, were they then discussing the possibility of a joint operation for some new faculties? I can't think of any that come to mind at the moment, but I know there were one or two that were under consideration.

MR. FOSTER:

I am not specifically aware, Mr. Chairman, whether there were any new faculties as such that were under consideration. But there was generally, the consensus that we would create no artificial barriers within this region of western Canada.

Secondly, if we were going to involve ourselves in new programs or in new faculties, more important, new faculties, we would do so only after we have had an opportunity of advising our colleagues in other provinces to avoid this kind of duplication. Going further, Mr. Chairman, I appreciate there is some concern in Saskatchewan about the costs of educating our students at that particular college. Although we donate several hundred dollars, the cost is really \$8,000 odd per student per year. I think Saskatchewan is legitimately looking to Alberta and Manitoba for some reconsideration.

MR. GRUENWALD:

Just a short one to the hon. Minister of Agriculture. On these grants to these Class A exhibitions, did you say that Lethbridge receives an increase of how much?

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DR. HORNER:

\$25,000.

MR. GRUENWALD:

That is a fair increase.

MR. TAYLOR:

In connection with veterinary students, does this pay their total tuition? Secondly, is senior matriculation required for entry?

DR. HORNER:

The requirements for veterinary -- they take their two years of what is called pre-vet at the universities here in Alberta. This is a two year Arts and Science or Science preliminary as it is in medicine really, and then they apply to the University of Saskatchewan. This doesn't pay their total tuition at all; there is a tuition charge to the students, but this is a contribution to the University of Saskatchewan directly for their running. They also, of course, get a contribution from the federal government in relation to that, but as my colleague has suggested, they are talking about costs of \$8,000 per student and this with the matching federal thing comes to five, so they say they are still out so much.

Appropriation 1104 total agreed to \$ 643,750

Appropriation 1105 Communications

MR. NOTLEY:

Mr. Chairman, I would like to direct a question to the hon. minister on this appropriation. I certainly agree that there has to be a fair amount of emphasis placed on communication, because as members of the Legislature we are all aware of the fact that many programs that are in existence just aren't somehow being communicated as well as they should to our farm population. I think this is especially true if the government anticipates developing new programs.

Just a little more directly, though, to the point, I was curious about the increase in the appropriations that total \$130,000 -- but the increase in advertising, if my arithmetic is correct here, is \$4,300, from \$45,900 up to \$50,295. My question to the hon. minister is whether or not he thinks this is really a sufficient increase to properly acquaint people with programs that are necessary, and whether or not it might not be worth increasing the total advertising. I take it that this includes all the media, local newspapers, radio, TV coverage, whatever it may be?

DR. HORNER:

Yes, it does include special marketing. This is strictly in the field of getting the communications out to our farmers. I agree with the hon. member, we have to get our programs and the things out to our farmers better than we have in the past. This has something to do with the entire area, of course, of extension and getting the material to our farmers. Rather than the additional amount being in advertising, you will notice that it is in materials, supplies, and in salaries, or in people.

We hope to have our final conclusions on the T and T report very shortly, but the basic premise that we take in the whole field is that we still have to have the kitchen table kind of consultation with farmers to get the terminology across to them. Our entire premise is based on that. And so this idea is: additional people and additional materials and equipment, hopefully to get the message

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about our programs and the production opportunities and so on, to our farmers, and we will work very hard.

MR. NOTLEY:

I have a supplementary on that. I take it then that the one proposal in the T and T report, that we phase out our district agriculturalists and have regional extension centres, is being rejected outright by the new government. Is it?

DR. HORNER:

Yes, it is being rejected outright.

MR. CHAIRMAN:

Yes, Mr. Ruste?

MR. FUSTE:

On the matter of communication, there are several publications that come out periodically from the department, as well as new releases, information bulletins, even some of a technical nature, and there is a clipping service. I wonder if the members of this Legislative Assembly could have those sent to them as they come out for the department, because that would be one of the steps to get this information out.

DR. HORNER:

If they are not on the mailing list, we will see that they are.

MR. BUCKWELL:

I have a question for the hon. minister.

MR. CHAIRMAN:

Yes?

MR. BUCKWELL:

In this line of communication, and actually where the government is coming out with a new program, is their prerogative. Is there any way of intermeshing the agra-business, wheat pools, and marketing information that comes from other sources which sometimes duplicates what government sends out? Is there any way that the department could work with the agra-business?

I think there is a lot of conflicting information at times when it comes from various areas. You mentioned the T and T Report where farmers were sort of led down the path. Actually, the department should be the leader in the information that you want to get across. That is most important.

DR. HORNER:

There is another point of course, that T and T made, that there should be greater co-ordination between our agra-business, the university, and the department, and I agree with that submission and we try to work with other publications and with the farm organizations in doing the job of communicating the various programs and so on.

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MR. TAYLOR:

Mr. Chairman, I wonder if the hon. minister could give some indication about the library. Is this a new library set-up, where will it be located, and will it complement the present library, etc?

DR. HORNER:

Yes, this library is primarily in the audio-visual field so there would be available to our extension people a better system of getting information, and up-to-date information, because I think one of the really important things in a rapidly changing agricultural situation in the world is that our people in the field have access to the information. And this primarily concerns what they call multi-media information, which is video tapes, slides, the whole area of communications equipment.

MR. CHAIRMAN:

Yes, Mr. Ruste?

MR. RUSTE:

Just further on that, I think that in any agricultural library that what is proper information today may be out of date tomorrow -- that's the way things are moving.

I would like to ask the hon. minister -- we have one of the programs that has been used a fair amount in co-operation with one of the farm organizations on the TV. Do you intend to continue that on that basis and expand?

DR. HORNER:

Is the hon. member is referring to the MEETA program?

MR. RUSTE:

No, the one that we have that refers to the Department of Agriculture's Uniform, shown on Sunday.

DR. HORNER:

Yes, well we're continuing that at the present. We also of course have that program that MEETA produces which has, I think, a useful purpose and provided that the hon. Minister of Education will allow us to continue to use the services there at the same price that we have been paying in the past, we would like to continue that. We only hope that the MEETA programs can be more widely seen because, while they do get on to some of the independent TV stations around the province, certainly they have a limited amount of power, or they are limited particularly around the City of Edmonton, to the radius of MEETA's telecasting abilities.

MR. CHAIRMAN:

Very well, Mr. Notley.

MR. NOTLEY:

A question relating to the salaried positions -- the increase from 20 to 27. Will this increase be as a result of the agricultural library, or what would be the breakdown of the increase of seven employees?

DR. HORNER:

Two of those are in the agriculture library, the other five are in the general communications field. One is clerical.

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MR. CHAIRMAN:

Do you have a question Mr. Clark?

MR. CLARK:

Mr. Chairman, I would like to ask the hon. minister if, in the course of the development of the multi-media bit, has there been or is there some area here for co-ordination or co-operation between the audio-visual people in education? If I recall the organization of the previous government, I know agriculture was just in the stage of doing some development in this area of the multi-media approach. Education had a number of people in audio-visual, and while you are at this stage in development there might be a real advantage in -- I don't know what mechanism to use -- but as far as the use of equipment, professional personnel, and so on, there really may be an area here where considerable savings could be made because these are awfully expensive pieces of equipment and people are really expensive too, and good people are hard to come by.

DR. HORNER:

Yes, I certainly agree, and we are working on that, that a number of departments should make use of the material, and we would also hope to have some input from the audio-visual material to the Ag. colleges and other colleges that would require it.

MR. CHAIRMAN:

Mr. Farran.

MR. FARRAN:

Mr. Chairman, I understand that this is not only for questions but also suggestions, and as a farm writer of some years' experience could I make a plea for simplicity? Most of the releases that come out of the experimental stations are written far above the heads of the average journalists, and probably above the heads of even the best educated farmers. If there was some way to put this material together in a handbook in simple, straightforward English, I am sure it would serve a much greater purpose at much less expense.

The bible that I was raised on years ago was a book called "Scott Watson's Agriculture", which every student ought to see. It has always amazed me that we haven't been able to produce a book like that for Alberta. We have thousands and thousands of leaflets that are put together in loose-leaf binders and as the hon. Member for Fort Macleod said, many are contradictory. If they could be translated into English, I am sure they would serve a much better purpose.

DR. HORNER:

I'll try to get them all into cowboy or farmer language.

MR. CHAIRMAN:

Mr. Henderson did you have a question?

MR. HENDERSON:

Mr. Chairman, I just wanted to ask the hon. minister what he is planning on so far as monitoring the benefits that will come out of this type of expenditure. Because it's a bottomless bucket and one of the problems I'm sure most of the members of the House are aware of. I'm sure the hon. minister is well aware that the people who need the information, even if you get it to them, won't use it. The ones who are using the information don't have to spend money on a

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propaganda campaign -- and I don't use that word in a partisan political sense -- but encourage them to use it. But in that it is a bottomless barrel, what does the minister propose in the way of some nominal monitoring system to evaluate the effectiveness of this expenditure.

DR. HORNER:

The responsibility of the policy and planning secretariat will be to evaluate not only this, but all ongoing and any new programs that come up, so that we see, in fact, that we are reaching our objectives. I agree with the hon. member, but I think this has to deal with the entire field of extension, and how do you get to the plant that requires the assistance without pushing yourself onward? I think this is going to take a review of the district agriculturalists' position in the community; the question of how long they should stay in one area until they move along. There has been some work done in relation to extension work so that when a new extension worker comes into an area his base is pretty broad. The longer he stays in a community the more the base shortens and the fewer people he is seeing. They tell me that you can then almost predict the final reports he is going to make.

We are having a look at this whole field because it's really a question beyond just straight communications; it's the whole question of extension and how do you get out there. I think we have to make a real try to get the extension information generally to the people who require it. Hopefully doing some of these other things that are new in extension and tying them to marketing opportunities, seems probably the best way to get some information to the farmers. If he knows he can make a little extra buck, or get a little better income by contacting or approaching these areas, then that's the way we'll get there.

MR. HENDERSON:

Mr. Chairman, may I suggest somewhat facetiously that maybe he could adopt the lesson that Medicare has taught us -- get these DAs on a fee for service basis -- and I imagine then the amount of utilization would increase dramatically, very dramatically. But really what I rose on my feet for was -- well, in view of the hon. minister's previous professional career, I thought it was an appropriate comment. I just wanted a point of clarification from the hon. minister that this planning secretariat has nothing to do with the operational aspect of these programs. I hope that they are completely separate.

MR. STROM:

I notice there is quite an increase and I was wondering if the hon. minister could outline to us just what the rentals cover.

DR. HORNER:

Newer equipment in the multi-media field are pretty expensive and it is sometimes better to enter into a rental contract rather than to buy them outright. So this is the reason for the increases, just that this equipment, the video tape and this kind of thing, is sometimes economically better to rent than to purchase.

MR. STROM:

Mr. Chairman, another question along the same line. Is any attempt being made to co-ordinate the equipment requirements and equipment use by various departments?

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DR. HORNER:

Yes, very much so, Mr. Chairman. I think this is one of the things I learned from having meetings in the field with my people. Some of the complaints that they had, some of the provincial offices throughout the province -- the common thing was, well they have a duplicating machine down there in Health and Social Development, but we daren't use it because we are not allowed to do that. This kind of thing has been going on far too much and we intend to try and co-ordinate that, and co-ordinate the use. It seems to me that some of this equipment should be made available on a joint usage basis, particularly in the field, in relation to a number of departments.

SOME HON. MEMBERS:

Agreed.

MR. STROM:

Mr. Chairman, I appreciate that and I certainly agree with it 100 per cent. We come down to the actual process of getting it accomplished. Have you drawn up a formula or have you drawn up a proposal that you will be making to all departments indicating the method that they will have to use to get this co-ordination.

DR. HORNER:

Yes, we've initiated some discussions at the ministerial level and at the senior officials level to see to it that we get this kind of co-ordination and maximum use of the equipment.

MR. STROM:

Mr. Chairman I appreciate what he is saying, but it is simply in the discussion stage and you are talking about it with various departments -- what's your plan? Because I think that it's fair to say that one of the greatest difficulties that governments face is to get the horizontal relationship between departments, where you get the best use of the dollar and this is just an automatic thing because of the line of authority that runs within departments which is vertical not horizontal.

DR. HORNER:

I appreciate that very much and I'm appreciating it more as we go along. On the other hand I think that one of the better ways that you can do this -- and the Provincial Treasurer has been pretty harsh on requests for new equipment from all departments -- is to make sure that we get maximum uses, not provide new equipment just at a whim because somebody says they need it, but rather to look at this whole equipment area. This is going on now, and as I say, if they can't get the equipment at a mere requisition then I think that it will force them into a position of trying to co-ordinate the thing. I'm rather concerned on that point that we should have some input, not only on an equipment basis, but in relation to resource personnel in the field.

One of the complaints that my home economists in the field have given to me, and which I've transmitted to my colleague in Health and Social Development, was that here were some resource people who had a great deal of knowledge in relation to family living, etc. that weren't being used enough by the social workers. We hope that, not only in an equipment sense, but in the use of resource personnel in the field, we can get a better system of co-ordination in a horizontal manner.

Appropriation 1105 total agreed to

\$ 473,900

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Appropriation 1106 Systems Designs and Data Analysis

MR. FUSTE:

Mr. Chairman, on this one here, as you realize, last year we passed the legislation dealing with The Brand Inspection Act and so on. Would the hon. minister just bring us up to date on whether we're running into any difficulties as a result of that, and the computerizing of this and the retrieval of that information so that it's more readily and easily possible to apprehend the rustlers and so on.

DR. HORNER:

Well, the new Brand Inspection Act went into effect -- let me think -- the first of the year if I remember correctly and we've had some problems there. One of them that we have ironed out is the question of the duplicate manifest from both Highways and Agriculture, but now there is only one manifest required and that should simplify things.

We are bringing in some amendments to The Brand Act and these are more to clarify and to make it an efficient operation. One of the real problems that we have in the Brand Inspection area -- and I don't know whether this is really the right vote or not -- is that because of the way we had classified personnel we had difficulty in paying our brand inspectors enough money to get the kind of people we required. We've been having some detailed discussions with regard to personnel as to how we can improve that situation. The hon. Member for Lloydminster and the hon. Member for St. Paul have been doing some very useful work in that area and we hope to be able to revise the system of inspection services that are available under The Brand Inspection Act, so as to improve it. I might say that the additional monies that are required have to do with the Brand Inspection Act and also have to do with the ROP-Feed programs, the dairy management programs, and certain other areas of farm management that have been computerized.

Perhaps the largest one though, is in the dairy herd improvement section in which the herd owner pays part of the cost, in any case a pretty substantial portion of the cost, of the computerized program.

MR. CHAIRMAN:

Yes, Mr. Benoit.

MR. BENOIT:

Here is one of those votes that I have trouble with, and if I can be straightened out on one, I might get in the others. There was no vote 1106 -- last year's estimates -- and I don't see one that is headed Systems Design and Data Analysis. What is the comparable vote -- where does it come from -- is it in this department or is it shared with other departments, or just what is the score here?

DR. HORNER:

Well, as far as I am concerned, my records show a vote -- it could have been 1150 or 1159 in previous years.

AN HON. MEMBER:

There was no 1159 last year.

DR. HOFNER:

Yes it was in '71, '72 in 1150. But it is primarily -- as I pointed out -- the expenditure, if you will look at your other sheet that we have here, the expenditure of \$118,650 is an increase over approximately \$70,000. This increase is primarily related to

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improved programs and trying to get the entire matter of brand inspection or brand recording on a computerized tape. The question of dairy herd improvement is a major one -- the dairy people themselves, particularly in the Edmonton milk shed, are very high on this program in relation to the ROP programs which are expanding.

MR. CHAIRMAN:

Yes, Mr. Moore.

MR. MOORE:

Mr. Chairman, . . . the hon. members on both sides of the House, the changes in departmental appropriation structures in the Department of Agriculture on page 17 of the supplementary book that was provided by the hon. Provincial Treasurer.

MR. CHAIRMAN:

Mr. Ruste.

MR. RUSTE:

On this whole field of the manifest, it was my understanding that when the program was set up that there would be a period of -- shall we say if the farmer was stopped and he didn't have the manifest that he would be given time to serve an educational process. How long does the hon. minister plan on having this go on?

DR. HOFNER:

Well, I think that we have to evaluate as we go along. Our primary concern in the whole area is, of course, as the hon. member well knows:

- (1) The question of rustling;
- (2) The question of not impeding the ability of the smaller farmer to market his cattle particularly.

So I think taking those two things into consideration that we have to evaluate as we go along. It may not be necessary to have pretty stringent manifest regulations in regard to smaller shipments. I would think that it wouldn't be the inspection and police people that are involved, but we would listen to their recommendations here as well as to the farm organizations in relation to what they feel the requirements are.

Appropriation 1106 total agreed to \$ 118,650

Appropriation 1107 Planning Secretariat

MR. NOTLEY:

I wonder if the hon. minister could perhaps specify in a little more detailed form just how the planning secretary is going to work. I note here, for example, the input side is going to be from agribusiness, commodity groups, farm organizations, intergovernmental, and so on. I am just wondering again in the execution of the administration of the secretariat, will the reports be made public? Will it be possible for some of the organizations that are on the input side to also gain knowledge from it, or will it be just for interdepartmental purposes or the purposes of the department itself?

DR. HOFNER:

I hope that it would be for both. I am sure the hon. member can appreciate there are going to be certain occasions when the reports

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or the documentations, of necessity, because of dealings with other governments perhaps, or with the federal government, won't be made public perhaps, as might otherwise be necessary.

But certainly in the evaluation of programs, the evaluation of the needs, I would hope that we could have a back and forth movement between the people putting in the input and the output from the planning secretariat. As I mentioned before, I think perhaps it's also our intention to have one of the people from the Home Economists' section on the planning secretariat, if at all possible, to tie in our women employees and also to have some input perhaps from the women's associations in Unifarm, the National Farmers' Union women, and other women who are interested in agriculture and in the rural lifestyle in order that they could have some input -- and we intend to do this.

MR. CHAIRMAN:

Mr. Ruste.

MR. RUSTE:

Mr. Chairman, my only comment here would be in relation to this and tying it into Appropriation 1102 -- and I'm getting back to the general administration of the department. My concern here is: are we going to get the value out of our money in, say, the planning and the administration, rather than getting it down to the farmer where it really counts? I'm prepared to go along with it this year, but I'm going to be watching pretty carefully on this whole thing, because we can go into planning, planning, planning and administration, and yet it doesn't get back to the individual operator on the farm.

DR. HORNER:

I agree generally that this has to be carefully watched, but I would also point out to the hon. member that the major impact that the department can make is in the people who are working for it, other than taking up direct grants and handing them out to farmers in a variety of ways. In essence, the real value of the department is the people who are working in it, and I agree with the hon. member that this is a new step; and we'll certainly be evaluating it ourselves, because I think that's part and parcel of the responsibilities in making sure that any expenditure does get back to the net income section of the farmer.

MR. CHAIRMAN:

Mr. Taylor, go ahead.

MR. TAYLOR:

Mr. Chairman, are the members of the secretariat chosen by competition or by appointment?

DR. HORNER:

They'll be chosen by competition and will be civil servants.

MR. CHAIRMAN:

Mr. Notley.

MR. NOTLEY:

I realize from the minister's answer to my question that there will be information both coming in and going out from the secretariat. I was just wondering, though, will there be one

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comprehensive report prepared each year which will be made for distribution in the Legislature?

DR. HORNER:

That is something that we can give consideration to, and I think it's a good idea.

MR. CHAIRMAN:

Mr. Strom.

MR. STROM:

Mr. Chairman, on this particular vote, No. 1107, Planning Secretariat, am I to assume that part of the responsibility of this group will be to forecast the kinds of crops that the farmers should be growing, or getting into that area at all?

DR. HORNER:

No.

MR. STROM:

Nothing to do with that at all?

DR. HORNER:

No, if I could put it this way to the hon. leader. They will be more evaluating whether or not the marketing people have forecast accurately in a valuable way to the farmers. The group on one side would be taking policy ideas and developing them to see what the ripples are in the farming community, and secondly, evaluating the programs to see what the ripples did do. Hopefully, in this way we would be able to have a better knowledge of what programs are worthwhile, what directions we should take in other programs -- this kind of thing. We will get to the marketing situation in the marketing vote.

MR. STROM:

Mr. Chairman, is it fair then to assume that this will really be dealing with policy and programs that are initiated at the departmental level?

DR. HORNER:

Yes.

MR. CHAIRMAN:

Yes, Mr. Henderson.

MR. HENDERSON:

Mr. Chairman, how much input is going to be achieved in this planning secretariat for considerations coming from other departments that are very definitely relevant to the operations of the department.

DR. HORNER:

Yes, very much so, and I think that one of the responsibilities of the secretariat, as I mentioned earlier in regard to advanced education and in regard to perhaps the problem of horizontal integration of the uses of personnel and equipment, these kind of

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things, I would think, would be a part and parcel of the work that the planning secretariat would do.

MR. HENDERSON:

I wonder if the minister could give us some idea of the type of professional people who are going to be involved in this particular group.

DR. HORNER:

Well, we are looking at a specialist in Home Economics, and that type of work. We are looking at a specialist in policy formulation in relation to the federal programs so that we can have some reasonable input into discussions with the federal government in relation to their kind of policies and our integration of it. We're looking at people who would have some kind of general economics background and agricultural economics as well. Probably we are looking at four or five people, one who has some special knowledge in each of a variety of fields, basically, agriculturalists with specialties on --

MR. HENDERSON:

Mr. Chairman, I gather from what the hon. minister says, he actually hasn't got around to the point yet of writing the basic job descriptions -- the specific numbers of jobs mentioned was just a shotgun approach, put ten figures in the budget and hope it shakes out right. You sound very vague about it, Mr. Minister.

DR. HORNER:

If it sounds vague then it is my fault. I suggest to the hon. member that I can get the job description for him, if he would like, in relation to these areas.

MR. NOTLEY:

Mr. Chairman, I certainly support the idea of a planning secretariat. We obviously have to have specialists in it. The question I would pose to the hon. minister, though, is, wouldn't it be better if we had some sort of advisory council that could meet with the planning secretariat because specialists can sometimes be very, very bookish, as we all know. If we had an advisory council representing the farm organizations with practical farmers there -- who could pose questions at the secretariat every now and again -- I'm wondering if that wouldn't be a useful approach. I know that in other countries, in Europe, where they set up boards of this kind -- planning commissions -- they often deliberately set up citizens' advisory committees to interrelate. As a result, the whole operation tends to work better.

DR. HORNER:

I think that is a good suggestion, Mr. Chairman. I want to say again, though, if the hon. member will consider with me the problem that, perhaps rather than setting up an advisory committee as long as the planning secretariat makes itself available to the various farm organizations and commodity groups in a real way, I think that would be more effective than having a committee made up of a representative from, say, ten groups who meet occasionally with it. I would rather see Unifarm or the National Farmers' Union or a commodity group sitting down with the planning secretariat in a major way, than just having a little bit of input on a committee. I am open but, that is my view at the moment that we might have better input from the farm organizations, particularly, with this kind of approach rather than with the advisory committee.

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Appropriation 1107 total agreed to \$ 138,310

Appropriation 1111 Irrigation Secretariat

MR. MANDEVILLE:

Mr. Chairman, I would like to ask the hon. minister one question on the grants. In the past, the distribution of this grant has been on the amount of acres within an irrigation district for the rehabilitation of capital works and irrigation districts. Is there going to be any change made in the distribution of these grants for the coming year?

DR. HORNER:

No, none, Mr. Chairman.

MR. BUCKWELL:

Mr. Chairman, I think the hon. minister expected us to get up anyway. We have had quite a few questions in the question period on the matter of federal-provincial co-operation on this matter. I am not going to belabour the point. The hon. Minister of the Environment says they have made a proposal to the federal government. The question I asked the other day when Mr. Olson was speaking at Taber, they don't think Mr. Olson knows anything about the proposal, whether it was sent to Mr. Marchand or whether it was sent to Mr. Olson. But he still says they are willing to sign.

What we are concerned about is the amount of money that is in some ways tied to this appropriation, but it is the money for the capital works that is so necessary from the federal government. I realize it is tied up primarily with the hon. minister, and it is not a problem of his making, he inherited it. I hope he can do something with the inheritance in a pretty speedy way. I don't want to say any more about it after I mentioned it because we have gone through this before and I believe they are trying to do the best they can. I would certainly like to see this thing come to a head in the very near future.

DR. HORNER:

I would like to say this, Mr. Chairman. First of all as my colleague, the hon. Minister of the Environment has said in the House before, we are in the middle of what somewhat hopefully will be final negotiations with Ottawa. I think it was unfortunate for the federal Minister of Agriculture in Taber the other day to make the statements that he did make, and I think that most of the people in the area appreciate the problem. Certainly in my discussions with home in the south over the weekend, he was a little bit off-base. Unfortunately, in Ottawa there doesn't seem to be the communication between ministers that there is in Alberta, and this may be one of the problems.

I would like to say to the House generally regarding the question of irrigation that the Department of the Environment and the Department of Agriculture had a joint responsibility in this area. It is primarily separated on the basis that agriculture will be looking after the use of water for agriculture and the Department of the Environment through the Water Resources Division will be providing the engineering competence in a supervisory way to the irrigation districts. We would hope though that the irrigation districts will be using consulting personnel to build up a competence, outside of government, of consulting engineers so that the irrigation districts will be able to use this.

There are a number of matters that need clarification in the whole field of irrigation. We would hope that when we can finalize

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the federal-provincial situation, that we can then go to work in regard to the immediate amendments that are required for The Irrigation Act. Certain other additional decisions can be made once this initial decision has been made with the federal government. Hopefully, that agreement will be coming along in the next few weeks.

MR. STROM:

On the matter of the arrangements that are being made with the federal government I think there is a point of principle involved in the matter of dealing with the irrigation district that is presently under the jurisdiction of the federal government. And I recall that the hon. minister in replying to a question that we raised, suggested that he was not going to have the same difficulties that we had in arriving at a settlement with the federal government in regard to it.

Now, my concern in the negotiations that will be going on, is this. Does the minister accept that at this point in time the provincial government has no responsibility whatsoever to enter into any negotiations with the irrigation district that is presently under the jurisdiction of the federal government?

I think it is pretty important to recognize that the federal government has a responsibility to advise the irrigation district that they have a proposal that they wish to make to them. So if it is not acceptable to the irrigation district, and they wish to sever their connections with the federal government, then that irrigation district has to make application to the provincial government that they be included in the operation of irrigation districts under the Department of Agriculture or under the provincial government and at that point the provincial government will deal with them.

That was the point of contention between the past provincial government and the federal government. The federal minister insisted that it was the provincial government that wanted to take them over, and I have to say here very clearly, Mr. Chairman, that never at any time have we in the past said that we wanted to take them over. What I have said to the federal government, and stated it very clearly, was, that in the interest of a uniform policy, the federal government ought to do something about getting rid of the operation and placing it under provincial jurisdiction. Having said that, it was not the provincial government's responsibility to go to the district, negotiate with them, or in any way suggest to them that they had to come under a provincial operation.

I have to emphasize again, that it is pretty important to make it clear as to whether or not this government is going to say to the irrigation district, that as of such and such a date -- and I don't know what the date might be -- that they will now have to come under provincial jurisdiction because I think that decision rests with the irrigation districts.

DR. HORNER:

Primarily we agree with the hon. Leader's position that they took. I think that we have taken it one step forward, though, and made an alternative proposal to the federal government in relation to the matter. I would suggest to the hon. member that we have no intention of forcing something down the throats of the irrigation district, and that we hope that with the kind of proposal we made, if we can get to the terms of the federal government that that problem will be easier resolved. In other words, it will be worth while for those people to form their own irrigation district under our legislation.

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MR. R. SPEAKER:

A question to the hon. minister, is he saying, then, that the present agreement between the PFRA located at Vauxhall, and the federal government, that that relationship will be severed between the federal government and the local body first of all, and then secondly, following that, then the provincial government will have legislation available in which the people of Vauxhall can form a local irrigation district responsible to the province?

DR. HOFNER:

Of course the people now have that availability under The Irrigation Act in any case, and I am suggesting that after negotiations with those people that they may find it advantageous to apply to form irrigation districts.

MR. STROM:

Is the hon. minister suggesting that this negotiation with the present district will go on between the provincial government and the district -- not the federal government and the district?

MR. YURKO:

I think, Mr. Chairman, what we have really said to the federal government is that we'll assume or undertake all the responsibilities that the federal government now has in this area in connection with the Bow River project, that we as a province will undertake these responsibilities, and then subsequent to this, these responsibilities will be undertaken for a price. And subsequent to this undertaking of the responsibilities exactly as they are between the district as you call it and PFRA, then any additional negotiations will continue with respect to the formation of an irrigation district under provincial jurisdiction.

MR. STROM:

Mr. Chairman, if I understand the hon. Minister of the Environment correctly, what he is saying then is that the provincial government is prepared to assure the district that they will give them as good a deal -- I'm not going to say better -- as they presently enjoy with the federal government?

MR. YURKO:

Mr. Chairman, I indicated that we would undertake the obligation of the federal government in this area.

MR. STROM:

Mr. Chairman, I'm sure the hon. minister recognizes that that particular irrigation district enjoys a very favourable irrigation right, and I have to pursue my question again and simply ask - is the provincial government now prepared to ensure that district that they will in perpetuity be able to enjoy that position?

DR. HOFNER:

That's asking quite a lot, Mr. Chairman, and the answer is no.

MR. CHAIRMAN:

Mr. Speaker, go ahead.

MR. R. SPEAKER:

Mr. Chairman, there is an inconsistency then between the two ministers. The hon. Minister of the Environment has said that there will be assurance that the present circumstances will be maintained.

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The hon. Minister of Agriculture has said that they will not. And I think that is very important to the people in that area.

MR. YURKO:

Mr. Chairman, I haven't said that the conditions of the present agreement would be maintained in perpetuity. I simply said that at this point in time we would accept the obligations of the federal government, and then there would be discussion as to whether or not this particular district can, in fact, be brought under the provincial government legislation. And this is about the only way we can break the impasse that has existed.

Now I want to say, Mr. Chairman, that this negotiation has been going along since 1964; that's when it first began, and I have documented in detail every meeting, every letter, that has in fact taken place between this government and the federal government. And if the hon. members wish me to present this documentation I certainly shall, but it reached an impasse and something had to be done to break this impasse. In fact we never would have arrived at a settlement between the provincial and federal governments on this issue.

MR. STROM:

Mr. Chairman, I appreciate that the hon. minister has suggested that he is able to take us back to 1964. I suggest that it really isn't the issue at this point in time, and I simply have to remind him that he said he was prepared to assume the responsibilities that the federal government presently has, and I want to also remind him that those responsibilities include providing water at a fixed rate. This is part of the dilemma that the federal government is in and yet can't get out of that so they -- and I'm going to be very blunt about it and I am going to say this -- the federal government at this point in time is anxious to buy itself out of a very bad agreement. All I am saying then, is this the basis on which the provincial government is taking them over by assuming the responsibility that the federal government has at the present time?

MR. YURKO:

Mr. Chairman, I indicated that we were prepared to undertake this obligation at a price, and this is the basis of the negotiation.

MR. R. SPEAKER:

Mr. Chairman, in the interests of my constituents, does that mean then, that the present rate will be maintained? If so, how long? If not, what is happening?

MR. YURKO:

Well, Mr. Chairman, I don't want to cross that bridge until I get to it. Things change in Alberta all the time. As a matter of fact I might suggest that my department is looking very extensively at water use in the province and water use fees across the board as begun by the other government a year or so ago, where they instigated water use fees in connection with the Wetaskiwin-Cold Lake project. We are studying every aspect of water use in this province and comparing what other jurisdictions are, in fact, doing from the standpoint of stream charges as against specific use charges.

MR. R. SPEAKER:

Mr. Chairman, this will just take a yes or no answer. Can I assure my constituents that the present water rates will be maintained with the present agreement that is being arranged between the provincial government and the federal government?

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MR. YURKO:

Mr. Chairman, the hon. member can assure his constituents of anything. I simply made a statement that we would, in fact, take over the obligations of the federal government and these will be taken over for a very specific price.

MR. R. SPEAKER:

The hon. minister is certainly responsible for this and I hope he understands he is the minister responsible -- and in government -- and certainly when we were there we took that responsibility. If we couldn't assure it then we should have said it. If the hon. minister is negotiating and not able to give good information to my people at this time then I think somebody else in the Cabinet should negotiate the agreement.

MR. CHAIRMAN:

Yes, Mr. Buckwell?

MR. BUCKWELL:

Mr. Chairman, as far as the Bow River negotiation is concerned, as I understand it, I believe you could say we could settle with the federal government at a price, and the rate could be maintained. Now this is part of the problem; what about the rest of the irrigation districts? This is where we are concerned. There was some mention, something like \$22 million for the total package, and out of this a good chunk was for the Bow River irrigation.

What we are concerned about is, actually, there should be two deals made with the federal government, one dealing with the Bow River and the other dealing with the rest of the irrigation districts. When we try to lump the thing together this has been the impasse and while we are worrying about the Bow River -- whether they are going to be under the provincial irrigation department or The Irrigation Act -- this is fine and dandy for them, but what the other irrigation districts are anxiously awaiting is to get this deal consummated with the federal government so they will get on and fix the works. I am concerned, as I know you are -- the nub of the thing is that the federal government, once they sign the agreement, don't want anything to do with irrigation.

Mr. Olson, as I understand it, mentioned in Taber that this was the agreement -- we will sign it today, but what about five years down the road, and he said, "Oh, well, maybe we could renegotiate." No one is going to renegotiate anything once they have signed a quick claim as far as irrigation is concerned. I believe the hon. Minister of Agriculture understands this problem that this total package of rehabilitation is going to cost something like \$80 million today, and if we're not going to get this out of the federal government, or a good portion of it, the Department of Agriculture is going to be sitting high and dry and so are the irrigation farmers.

MR. YURKO:

Well, Mr. Chairman, I indicated that one aspect of the negotiation was the continuing contribution by the federal government to irrigation as a whole, and I have made this very specific on several different occasions. I didn't indicate, if we arrive at some sort of agreement, that this necessarily was going to be earmarked for the Bow River project alone.

I do want to say at this time, Mr. Chairman, that we're very concerned about equitability in connection with water facilities in this entire province, and not only in the irrigation districts of southern Alberta. There is today a substantial subsidization of

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agriculture in southern Alberta by the various senior governments and on the basis of productivity there is a desire from the rest of the province to get some kind of equitability in this area, in connection with on-stream water management. Much of the cost that we are talking about in this particular instance is associated with on-stream water management, and I suggest to you that we're facing some massive injection of water for oilwell and gaswell, for oil and gas production...

MR. HENDERSON:

It's just a fraction of one per cent.

MR. YURKO:

Fraction of one per cent of what?

MR. HENDERSON:

The water used for oil and gas well injection is only a fraction of one percent of the annual run off in Alberta.

MR. YURKO:

A fraction of one per cent -- well I received some up to date figures from the Energy Conservation Board for the next 10 or 15 years. Nevertheless, some of this water that is going to be used is from critical locations and we have to examine this entire area of management and in fact, we are. It isn't something that we're going to resolve in the next few months, or in the next six months, or in the next year. This is a matter that is going to take some real years of study before we resolve the entire matter of water management and water uses.

MR. BUCKWELL:

Mr. Minister, you say that this thing will not take place in the next six months, not in the next year, or maybe not in the next two or three years. Why do that restudy of water management, as far as you're concerned? What we are concerned with is -- are you going to have any districts left by that time, these capital works -- unless we're going to start pouring some money in either jointly with the federal government, we're not going to have any --

MR. YURKO:

Why don't you worry about the project?

MR. BUCKWELL:

I'm concerned that we get some money and get these things fixed up. One of the reasons that you're talking about water management in which the studies have shown that if we had an updating of the irrigation districts we could save the province water. We would only have to use maybe two thirds of the water that we're using at the present time. If you would enlarge for a few moments on what you call water management and water uses. This is one of the problems that people even within your own department don't understand.

DR. HORNER:

Well, if I might, Mr. Chairman, please. The hon. gentleman of course is aware that part and parcel of the total program is the general rehabilitation of the irrigation structure. This is why we're as anxious as he is that we can come to some conclusion with the federal government. We agree with him that the question of the Bow River irrigation district, for lack of a better term at the moment --

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MR. STROM:

(inaudible)

DR. HORNER:

Yes, alright, they shouldn't be allowed to hold back the rehabilitation that is so essential in the other areas and we would hope that we can finalize these discussions with the federal government; that we could then move forward with a pretty intensive program of rehabilitation in the other areas. As my hon. colleague has suggested, the whole question of water management needs to be looked at. I want to suggest that that general question is one for the Department of the Environment to debate and that we're primarily concerned here with regard to the irrigation as it applies to agriculture. I can assure my hon. friend that we intend to try and get some agreement with the federal government so that we can move ahead on the rehabilitation programs generally where the majority of the money will be spent, outside of the Bow River area.

MR. BUCKWELL:

Just for clarification for myself, hon. minister then, if this agreement could be signed with the federal government you would go ahead with irrigation rehabilitation, and water management would take its natural course over the years. Are we going to wait for the water management before --

DR. HORNER:

No, we will go ahead with rehabilitation because it is part and parcel of water management.

MR. STROM:

My hon. colleague here, asked the hon. Minister of the Environment a direct question. He didn't answer it and I want to rephrase it again. I think my hon. colleague asked whether or not the hon. Minister of the Environment was prepared to make a commitment today, that the cost to the farmer in the east bloc would not be any higher after the transfer than it presently is.

MR. YURKO:

Mr. Chairman, I am not prepared to make any such commitment.

MR. STROM:

Mr. Chairman, then is it being considered at all in the negotiations with the federal government?

MR. YURKO:

Yes, certainly.

MR. CHAIRMAN:

Yes, Mr. Henderson.

MR. HENDERSON:

Mr. Chairman, a matter of policy. A comment I would like to make briefly, probably first, the next appropriation about transferring certain functions out of Environment back to Agriculture. Certainly I think this sound. I arrived at the same conclusion myself shortly after I took over as minister of the new department. But I am a little concerned. I would like a clarification -- I don't know whether it should come from the hon.

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Minister of Agriculture, or the hon. Minister of the Environment, or the hon. Premier -- as to how they arrived -- what the demarcation line is now as to responsibility. I get the impression from earlier comments in the House that the Environment Department was mainly responsible for the headworks aspect of the irrigation system. I gather now that the whole question of negotiations of the irrigation aspects of it is being done by Environment as opposed to Agriculture. I would just like some clarification as to where the demarcation line is between the two departments as to the responsibility that they have, since they made the shift.

DR. HORNER:

As I tried to point out, the negotiations with the federal government are a joint responsibility of the hon. Minister of the Environment and myself. The demarcation line actually is water use if you like. The Department of the Environment is responsible for the headwaters and the major on-stream works and the Department of Agriculture from where the water comes to the district.

MR. CHAIRMAN:

No further questions on that? Mr. Strom?

MR. STROM:

I have to still pursue it because I am not satisfied that either of the hon. ministers have given us the information that we need. I stated at the outset that one of the real concerns that I have is the method in which we are going to arrive at a settlement with the federal government as it relates to the east bloc, as we know it. And we all know what we are talking about when we refer to the east bloc. A further question I would like to ask; are the hon. ministers now negotiating with the federal government without consultation with the district involved?

DR. HOFNER:

At the present time, yes, Mr. Chairman.

MR. STROM:

Mr. Chairman, that disturbs me even more. I have felt that they were giving consideration to the irrigation district. Who is now talking to the irrigation district?

DR. HORNER:

It seems to me, Mr. Chairman, the hon. member has made his point that this was the blockade in regard to getting a general agreement on irrigation rehabilitation. I pointed out to him that we didn't believe that the area of the east bloc should prohibit major rehabilitation programming going on in Alberta in our irrigation districts, our structures. In that regard then, it became absolutely essential to take a different approach in regard to our negotiations with Ottawa, to see if we could get an agreement and then we would have to take the responsibility to subsequently negotiate with the east bloc in relation to the problems that are there. There is no other way of solving that dilemma.

MR. STROM:

Mr. Chairman, I have a couple of questions that I would like to pursue on this matter. Can we adjourn the debate?

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MR. CHAIRMAN:

I was just wondering if possibly this would be in the better interests, if we adjourned.

MR. HYNDMAN:

Mr. Chairman, before so doing I might advise the House that it is the government's intention that the House will sit tonight, tomorrow night, and Thursday night. I would now move that the committee adjourn until 8 o'clock this evening.

MR. CHAIRMAN:

It has been moved by the hon. minister that we adjourn until 8 o'clock this evening. Is that agreed?

HON. MEMBERS:

Agreed.

[The Committee adjourned at 5:30 p.m.]

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[Mr. Diachuk resumed the Chair at 8:00 pm.]

COMMITTEE OF SUPPLY

MR. CHAIRMAN:

The Committee of Supply will come to order now.

Department of Agriculture (cont.)

Appropriation 1111 Irrigation Secretariat (cont.)

Grants

MR. CHAIRMAN:

Yes, Mr. Buckwell.

MR. BUCKWELL:

I would like to ask a question of the hon. Minister of the Environment. Just before we closed he made a remark inferring that the irrigation districts had been subsidized. I wonder, would he amplify on that -- just what he meant?

MR. CHAIRMAN:

The hon. minister wasn't listening, Mr. Buckwell, would you --

MR. BUCKWELL:

You made a remark that the irrigation districts had been subsidized and I wonder if you would amplify on that remark?

MR. YURKO:

Well, I would just as soon treat it when I handle my own appropriations, as my remark was in relationship to water.

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MR. BUCKWELL:

Mr. Chairman, the hon. minister made the remark in respect to this appropriation. I will ask the hon. Minister of Agriculture if he would like to answer. The remark was made that the irrigation districts had been subsidized, and I would like you to amplify on what you mean by subsidization.

DR. HORNER:

Well, it is pretty obvious, Mr. Chairman, that what the hon. minister was talking about was some sort of equitability in relation to water throughout the province. In agriculture, we are aware of the usage of the term subsidization, and it doesn't necessarily mean that agriculture is subsidized. It may mean that somebody else is subsidized. In relation to the two-price system of course, in my view it is the consumer who is subsidized. I think, though, that what the hon. minister was talking about was the cost of water in relation to the overall river management that we have in all of our rivers throughout the province. I wouldn't want the hon. member to get up tight about thinking that -- we appreciate the opportunities that are available in the irrigation areas if the challenge is accepted by the people in that area. That doesn't just mean the farmers there -- it means the businessmen, it means the entire communities, that they are willing to take advantage of the opportunities they have in relation to what they can do in the agricultural sectors.

MR. CHAIRMAN:

Very well, then. Yes?

MR. YURKO:

Mr. Chairman, I might say that my figures are based on this particular report that was commissioned by the previous government. In here the degree of subsidization in connection with water per acre is spelled out. Would you like me to read it?

MR. CHAIRMAN:

Very well -- yes, Mr. Strom?

MR. STROM:

Mr. Chairman, I would be happy to have him read it and give us the answer at the same time as to whether or not he favours the subsidization, which is the term he used. Because he said he was not in favour of subsidization on water as I understood it.

MR. YURKO:

That is not what I said, Mr. Chairman, at all. I simply recognize the fact that, in fact, there is subsidization. I simply indicated something to the extent that some equitability might be necessary in this area across the province.

MR. STROM:

I certainly appreciate the explanation, and now that he has given us the explanation, would he describe just what he means by equitability on water as it relates to irrigation and other uses of water?

MR. YURKO:

Well, Mr. Chairman, I would rather cover that in my own estimates as we are on the agricultural estimates.

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MR. STROM:

Mr. Chairman, I simply want to point out that water is the main ingredient in the irrigation vote that we are discussing. In my view it is a very important question as it relates to the use of water for irrigation. I don't see why the hon. minister hesitates to give us the answer now, if he has the answer.

DR. HORNER:

To my mind Mr. Chairman, again the hon. Leader of the Opposition who, because his government couldn't come to some arrangement in regard to irrigation rehabilitation, is trying to justify his actions now. In my view that is not the question that is under discussion. The hon. Minister of the Environment has said we are reviewing the entire water policy of this government. I think that it is about time. I also think that the question -- and we are trying to be very fair to the irrigation districts in the south. I appreciate their potential in relation to the marketing thrust that we want to carry out. I also appreciate that to carry out this thrust requires the co-ordination and the co-operation of, not only the farmers in the area, but the business people and industry in general.

MR. STROM:

Mr. Chairman, I appreciate that there were times when I sat over on the other side and realized that the hon. Minister of Agriculture was trying to put words in my mouth, and now he's trying to do my thinking for me as well. I do my own thinking, Mr. Chairman. But be that as it may, we're not going to get the answer from the hon. Minister of the Environment, so I wonder if the hon. Minister of Agriculture is prepared to advise us at this time as to whether or not the federal government would be prepared to sign an agreement on rehabilitation, leaving out the East Block and its involvement at the present time?

DR. HORNER:

Well, at the present time they are not, Mr. Chairman, and that's why we have made alternate propositions to them, so that we can get around the block that the East Block has been.

MR. STROM:

Mr. Chairman, if they are insisting on the East Block being included, then of course, we come back to the questions that we were raising this afternoon and we have to ask again, is it the intention of the minister or ministers to discuss this proposal that is being advanced by the federal government with the irrigation district or the water users of that irrigation district?

DR. HORNER:

In the East Block? Yes, of course it is, Mr. Chairman, but the initial thing is that we have to have some agreement from Ottawa before we can go ahead. Once we have that agreement we will be discussing the future of the East Block with the people in that area.

MR. STROM:

I take it, of course, that this will be prior to signing an agreement, that you would be discussing it with the water users? And again, Mr. Chairman, I am certainly not wanting to try and be evasive on this. I have spent a lot of time negotiating with the federal government, as the hon. Minister of Agriculture and I'm sure the hon. Minister of the Environment appreciate, and it's a matter of principle with me as to how this should be handled. I can appreciate that the federal government wants to shed themselves of their responsibility. I simply pointed out to them, and I think rightly

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so, that there was a procedure that they should follow, and that procedure was that they discuss it, make their arrangements with the district, and then the district could make application to come under provincial jurisdiction. But really what the federal government is doing, and I want to be clear on this, if there has been a change in policy the federal government is saying it is the provincial government that is insisting on taking this district over. I told the hon. minister that as far as I was concerned he could sit there till doomsday, because it is not the provincial government that are wanting to take them over, it is the federal government that want to get rid of it and make it a provincial jurisdiction.

Now, if I might just make another point. For many, many years in the provincial administration, we recognized that we were dealing with several districts under different terms of reference, and it was a very bad situation. I for one, felt that it was imperative that we make some changes so that the irrigation districts would understand what the terms of reference were as far as the provincial dealings with them. We have come a long way in that particular area and really the only hold-out, as I see it right now, is the procedures that should be followed in the transfer of this one to the provincial government, if this is what the federal government want to do. But I think -- and I say this just as sincerely as I can -- that the present government would be making a mistake if they assumed the responsibility of having made this district join provincial administration.

DR. HORNER:

Well, Mr. Chairman, if I may be as frank as the hon. Leader of the Opposition, I think there are two or three important factors here. We don't think that the East Block should continue to hold up the rehabilitation generally of the much-needed rehabilitation that's required in the general irrigation thing. We are trying to make some sort of an arrangement with the federal government in which then we would have some flexibility to go back to the East Block and work out some sort of an arrangement with them. I think, in all fairness, that they have to accept the fact that within a period of years they will be on an equal basis with the other irrigation districts in Alberta.

MR. STROM:

Mr. Chairman, I think it's all well and good for the hon. Minister of Agriculture to suggest at this point in time that they will eventually have to accept a uniform policy as laid down by the provincial government. I don't take any exception to that statement, but I do say that if the provincial government is, at this point in time, saying that they are going to let the federal government dictate to them the terms under which they will get an agreement for rehabilitation, then they are wrong. And I for one, certainly feel that the federal government is absolutely wrong in holding this as a lever or as a club over the provincial government, saying that, "unless you accept this one we are not going to do anything toward rehabilitation."

I want to point out to the House, and I am sure this will be well known to the members of the department, that in the initial study that was conducted by the provincial and federal governments, the federal government agreed to go ahead with the study. They indicated they were going to be prepared to accept recommendations, or at least to discuss the recommendations that would be forthcoming from the study.

Following the completion of the study, the federal government was really not prepared to accept the results of the study. So this was their first objection.

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Secondly, they involved another factor that was really not part of the study at all, which related to rehabilitation, and which was the takeover of the Bow project.

I don't intend to flog this any more because we have made our point on this side of the House. But again, I have to caution the government, that if they accept an agreement with the federal government that provides for the takeover, then it is pretty important that they indicate to the district the terms as they apply to the East Block. I think they should be indicating to them whether or not the provincial government is prepared to place a sum of money, and whether this would be the amount as proposed by the federal government in a fund that will provide special payments to this district for many years to come. These are the points that should be made plain, long before the agreement is signed.

DR. HORNER:

All I can say, hopefully concluding this area, Mr. Chairman, is that once we have some indication from the federal government in relation to their response to our latest suggestions or position we would then take up the matter with the people in the East Block, and we will develop it with them. It is not our intention at all to try to impose on them conditions that are not realistic or are otherwise incompatible with their continuing in operation. But we don't want to continue to have this matter of the East Block continue to block the irrigation rehabilitation which is so important to the rest of the southern irrigation areas.

MR. YURKO:

Mr. Chairman, I would like to make one or two points. I certainly appreciate what the hon. Leader of the Opposition has indicated in suggesting that some caution may be necessary here, but I would like to suggest that there are certain factors that mitigate towards a rather early solution. The date at which the federal government had made a proposal to the provincial government was December 10, 1970. Since then, costs have escalated tremendously. What was then \$12 million in terms of capital costs is now estimated to be more like \$14 million.

The federal government has also indicated that there is no federal legislation or legislative authority comparable with The Alberta Irrigation Districts Act, so they found it impossible to agree to this condition that had been imposed by the previous government. Yet they did insist that this be part of the package and as a result it is necessary to come to a fairly early resolution of this problem for the simple reason that costs are escalating very rapidly indeed, and the package seems to be fixed to what was suggested initially, plus any additional impositions we might make upon the packages I have indicated on several occasions.

I would also like to suggest at this time that some of these structures are dangerously close to failure and catastrophe as the hon. Member for Drumheller has indicated by his questioning just recently. There are several factors here that suggest time is of the essence and, in fact, something should be done at the earliest opportunity. We are, of course, cognizant of all these factors in these negotiations and must reconcile ourselves to these factors. However, I certainly appreciate what the hon. Leader of the Opposition has been saying and that is that these people have a right to know what it is that we are doing, and as the Deputy Premier has indicated, before the actual document is signed. We are still in the negotiation stage of feeling each other out. Before the actual document is signed we must feel absolutely certain that these people will be given an opportunity to know what we are negotiating and what we have finalized before it's signed.

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MR. TAYLOR:

If I could just say a word about the West Block now. We've heard enough about the East Block and I'm not going to reiterate the questions that the hon. minister has already answered in regard to the WID diversion. I understand that the new weir is dependent on the federal agreement. The part that worries me is, that should that structure go out it would then appear to become a provincial responsibility. Otherwise the people of Chestermere Lake will be left without water and all of the users of the irrigation water in the Strathmore area will be left high and dry. It would be a catastrophe. I think there are some very, very important reasons, if all of the structures are in the dangerous condition that the WID diversion is in, to agree with the hon. Minister of the Environment that every possible stone should be turned in order to get this thing settled at the earliest possible time.

MR. CHAIRMAN:

No further questions?

MR. STROM:

Mr. Chairman, just further to what the hon. Minister of the Environment has mentioned about the time factor. He referred to this December 10th date of a letter. I want to point out that really the delay in coming to an agreement was the federal government's unwillingness to accept the report in the first place, and cost-sharing, so they came up after a long delay with their own formula which was related to their involvement in capital structures. I don't want to have the impression left that we were not ready to negotiate, but it was the federal government that didn't want to, because of the acceptance of the report.

Appropriation 1111 total agreed to \$1,039,100

Appropriation 1112 Conservation and Development

MR. BUCKWELL:

Mr. Chairman, would the hon. minister just explain -- this is not a technical advice from the water resources, is this something ...?

DR. HOFNER:

Mr. Chairman, this is a transfer back to the Department of Agriculture from No. 2920 from the Department of the Environment, and deals with the technical assistance on the agricultural level and relating to the land management.

Appropriation 1112 total agreed to \$ 363,030

Agreed to without debate:

Appropriation 1113 Technical Resources \$ 57,290

Appropriation 1120 Plant Industry-Administration \$ 71,240

Appropriation 1121 Crop Insurance

MR. STROM:

Mr. Chairman, is the hon. minister contemplating changes in the board of directors, or whatever they are called, in the Crop Insurance Board?

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DR. HORNER:

Mr. Chairman, there have been some changes already in relation to the retirement of Mr. MacIntosh and Mr. Pitcher and they have been replaced by Mr. Hallows and Mr. Sterling from the department. As the leader is aware, we intend later on in the session very shortly to introduce a resolution setting up a joint committee of the Legislature and farm organizations or farmers to review the entire matter of crop insurance and weather modification, to see if we can come up with a program which might be more universally accepted by farmers generally. Certainly in the whole question of income stabilization you have to take into consideration the question of crop insurance.

As is well known, the federal government would like to put forward the proposition that they take up half of the premium cost if we, as a province, will take over the administration costs. We are willing to look at that but we don't want to prejudge it prior to the committee having looked at it. The entire matter of weather modification belongs in that area as well, because if we accept the fact that modern technology will allow us to modify weather then I think that we have to bring that into our area of crop insurance as such. Certainly it's my view that we have to come up with some sort of scheme which, rather than compulsory, will be universally acceptable to our farmers. There have been some shortcomings and I appreciate that this has been a matter of development, rather than any particular policy matter in relation to how you can realistically apply the insurance principle to the matter of agricultural products.

Certainly our proposition to Mr. Lang in relation to grain stabilization was that this had to be considered as a parcel with it, because it's all very well to have a grain stabilization program, but if it doesn't take into consideration climatic conditions then I can point out very clearly that, for instance, the Peace River area would have been severely hurt in relation to a general grain stabilization program that didn't consider these kinds of things.

So hopefully, and I regret the delay as much as anyone, I think that we need to have a review of this, and I would hope that such a special committee will have hearings throughout the province, and particularly in the area in which the big controversy has been on with regard to weather modification, but in other areas as well so that we can come up with a reasonable proposition. We're quite willing to have negotiations with the federal government with relation to them taking half of the premium costs and us the administration cost, or some other arrangement. I would not like to prejudge what the committee might come up with in that area, but I would hope that we can come up with a much better system of crop insurance that would also incorporate a number of factors that are now involved in weather modification.

MR. STROM:

Have there been any further changes in the Crop Insurance Board personnel prior to the report being handed down by the committee, or are these the only changes that are coming about?

DR. HORNER:

No, I think further information is as of the 1st of July and a subsequent replacement of that gentleman on the board.

MR. NOTLEY:

I realize that this matter is going to be studied by a legislative committee, but there have been a number of changes announced for 1972 giving farmers a broader range of options, and so on. I wonder if the hon. minister would advise the House whether \$1.5 million appropriation this year is adequate as a result of these changes?

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DR. HORNER:

I'm sure, at least I'm positive that it will be. What's happened in the past years is that the appropriation has been a constant \$1.5 million and in some years this hasn't been taken up. We thought we had some left over this year but in fact the provincial auditor showed us that he had some deficit that he had to pick up from previous years, and so all of a sudden our \$1.5 million disappeared. But in the normal course of events the experience to date has been that in general this is adequate and will be adequate even for the expanded programs that, on a limited basis, have been put in. I think that the expanded base, hopefully, will at least maintain the number of farmers that are covered by crop insurance.

MR. TAYLOR:

Mr. Chairman, I take it from what the hon. minister said that there will be no changes in the actual set-up during the coming summer?

DR. HORNER:

No.

MR. BATIUK:

Mr. Chairman, I was just wondering about this crop insurance. I quite well understand that there is supposed to be more assistance from the federal government for damage from wildlife, and if that ties in with the crop insurance I think there should be considerable more insurance to the people. Am I right?

DR. HOFNER:

The wildlife damage, of course, is inspected by the people from the hail crop insurance corporation but the Wildlife Damage Fund is under my colleague, the hon. Minister of Lands and Forests. We are very pleased that the federal government is going to take more responsibility in this area, particularly in regard to lure crops and the like, and we will hopefully develop some programs in relation to that. Again, I regret the delay in trying to evolve a better system of crop insurance, but it is a very complicated matter and not one that can be done just overnight. Additionally, it requires consultation with the federal government because we operate under the federal umbrella and these matters have to be dealt with.

MR. CLARK:

Mr. Chairman, just two points to the hon. minister. Would it be possible for you to outline some sort of a time schedule that you can see this legislative committee using? You will recall when the committee was introduced today, I think a date of November 15th was mentioned as the date they would report back to the Assembly. Having more than just a passing interest in the weather modification problems, I am interested from two aspects there. One, in all likelihood, will the work done by the Alberta Research Council and some of their experimental work done at Penhold carry on for the year that we are into now? Secondly, did I understand your remarks to say that such a program as far as crop insurance, in addition to be voluntary -- I agree with that -- would have to be applicable all across the province?

One of the problems I see is that if this committee should be able to do something in the area of weather modification -- and I am, quite frankly, because of my constituency, most interested in the hail portion of it -- it seems to me that if that has to be a part of the package on an across-the-province basis, this may not make it inviting to a number of areas across the province. If you're talking

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in terms of weather modification and also increased precipitation, if that has now got to the stage where that is possible, then that throws a little different light on it and would make it of interest to a broader portion of the province.

DR. HORNER:

I think frankly -- and I appreciate the controversy that has gone on -- these would be the academics on one side and the practical people on the other. In my view I think this has clouded the issue in Alberta and we should look elsewhere, to Russia, to the United States and to other countries, as to the validity of weather modification.

As a complete layman in that field, I am convinced that there are some worthwhile things to be done in that area. I think, to answer the hon. member directly, the Research Council will continue its operation for this year. I had hoped at one time that we might be able to use part of this \$1.5 million that was left over from last year, before the Provincial Auditor decided that we had to pay off our debts from previous years, into an initial program in conjunction with the municipalities involved. That may have been premature on my part, in that I think there is some permanent work that needs to be done in relation to communication with those municipalities and the people in the area. Therefore, I would hope that the committee, as part of its responsibility, would take advantage of the knowledge that is in that area.

I want to suggest to the hon. member that while the hail belt used to be in his area, it has now expanded out of that area. Certainly the experiences in some of the areas last year are enough to make farmers very conscious of this entire matter. I think we have a great deal of knowledge in the university sector, in the Research Council sector, and in the practical sector, so that we should bring these people together and evolve some approach that all can agree on. I agree this is an ideal that we may not be able to reach -- having regard for some of the heat that has been engendered in these areas -- but I think perhaps it can be, either by a weather modification authority or a commission of some kind that would oversee this and evaluate the program.

I think that Professor Peterson's evaluation of previous programs is worthwhile and should be considered. I appreciate that this is an additional load on the committee, but rather than duplicate committees and because it is important, in my view, to at least come to some preliminary decision in regard to weather modification, I would hope that the committee would consider it as part and parcel of the entire crop insurance matter. It throws an additional load on them, but I would hope that they can give us some light in this area.

MR. CLARK:

Mr. Chairman, you were saying there were meetings held over the last month between the minister and some people interested in weather modification from the area that used to have hail and hopefully won't have any in the future. I take it that the money you referred to, and which the Provincial Auditor got his hands on before you did, was the sum that you had talked to these people about, possibly being used in a project in this fiscal year. That's now down the drain -- is it?

DR. HORNER:

Mr. Chairman, yes that's right unfortunately, very unfortunately.

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MR. FARRAN:

Mr. Chairman, I gather from the hon. minister that next year we're going to stop spending money on measuring the size of hail stones and we're really going to do something practical for the farmers?

DR. HOFNER:

Let's hope so.

MR. RUSTE:

Well, Mr. Chairman, I was just listening to the 'now' minister explaining the problems, and I can't help but recall, when I was sitting on the other side, that he had all the answers to these things. I was hoping there would have been something in the vote this year for some changes, but I can understand it now, and he has admitted it.

There are two things I would ask that he consider or have the committee consider: the cut-off date for the contract holder; he has a certain date early in the year to indicate whether he wants to cancel, if he doesn't indicate then he's automatically covered. The other one is the part of the government's contribution towards the premium.

DR. HORNER:

Mr. Chairman I don't want at this time to get into an argument with my hon. friend who keeps continually trying to justify what he did as minister. I would hope that we don't get into that kind of an argument because that's past and I'm looking to the future. I want to suggest to the hon. member very sincerely and very frankly, that really the people have decided and he's not going to get back over here anyway -- so relax.

The question in regard to premium is one that the committee should decide because it's a question of whether or not we accept the federal proposition of them paying one half of the premium and us taking over the administration costs. This is the initial sort of bargaining position that they have put forward.

In relation to the entire matter, I think there are other things that should be considered. I think that with the federal government, for instance, we should have negotiations or discussions with them in regard to what their contribution will be to the entire picture of weather modification. As somebody pointed out to me the other day, the Russians are so far advanced that if something gets through their weather modification program they apologize to the farmers for a particular storm. I don't know whether we can ever get that far, particularly if we can ever do it in the Red Deer, Drumheller and Morinville areas. If we can ever apologize to the people in there for a hail storm, I think then, we'll have reached the zenith, but --

MR. CLARK:

Would you be the...

DR. HORNER:

I'd be delighted to be.

Appropriation 1121 total agreed to

\$ 1,500,000

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Appropriation 1122 Field Crops

MR. RUSTE:

Mr. Chairman, on this vote we're getting into the economic distress through emergency assistance programs. Could the hon. minister give us a list, or obtain for us a list of the \$1,000 emergency loans that were taken out some time ago, particularly in the north country where there are a lot of snowed-under crops and so on and the status of those, for the information of members?

DR. HORNER:

Yes, I'd be delighted to. I can tell the hon. Member for Wainwright that we've been extending a number of these, particularly in the northern areas, whenever we can. There have been some write-offs. They have been relatively minimal and I've been impressed by the individual farmer's desire to try and clear off the debt on his own, but in many cases they've required additional assistance, or additional time. I would also say to him that the expanded and more liberal interpretation of the guaranteed livestock loan has enabled some of these people to pay off these obligations in relation to the cattle they own themselves. Hopefully we can improve their income so the balance can also be locked after. I would be quite willing to provide a list to the hon. member -- it'll take some time.

MR. CHAIRMAN:

Yes, Mr. Ruste?

MR. RUSTE:

Mr. Chairman, a further one. Is there any provision in here for -- and I am thinking now of the forecast that is being made at this time of the serious reduction in the number of acres of rapeseed to be planted in Canada this year, and the importance that this has to the economy of western Canada. Is there anything in this appropriation to provide for assistance in the spring with the use of lannate as it was last year?

DR. HOFNER:

Yes, this, as noted in the estimate book, includes emergency rapeseed insect control and a number of other areas. I think the important thing in regard to the rapeseed industry is that the reduction in rapeseed acres in Alberta -- percentagewise now -- will be less in Alberta than it was in Saskatchewan. As the hon. member knows, originally we were the primary producers of rapeseed in western Canada, and it was only last year that the pretty massive increase in acreage in Saskatchewan brought them up almost on a -- well they had a few more acres than last year. I would think that would probably revert back to where it was before, where Alberta would be growing more rapeseed than anyone else.

I think it is also important -- as the hon. member knows -- that we have to be on top of the new rapeseed diseases that are showing up, not only the army worm, of course, which has been around for a number of years. It wasn't until we had a mass of acreage together that it really became on a plague basis. I think of more importance, perhaps, are a number of areas in the rapeseed field. One of them is the root diseases, some of which are peculiar to Alberta. I think also the question is to develop a variety that is particularly suited to Alberta conditions in relation to yield, not only on a bushel basis, but on an oil yield basis. The whole matter of the Lear varieties and a particular variety so that we feel that we have to continue to be leaders in the rapeseed industry. I might say I have been particularly pleased by the assistance that I have received in that area from the hon. Member for Smoky River who has a detailed and practical knowledge in this area. His contributions, both at the Outlook Conference and at Regina were of particular use to the government in this area.

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MR. RUSTE:

A further question to the hon. minister. Are there any of the monies appropriated here towards that in this coming year?

DR. HORNER:

Yes, some of the grants and some of the materials and supplies are directly related to the provision of a standby stock of lannate and are also related to the provision of particular special laboratory equipment, which is required for the measurement of the amount of erucic acid in rapeseed which is a rather delicate and expensive operation -- and we have to have it if we are going to develop a low erucic acid variety that is suitable to Alberta conditions.

MR. RUSTE:

I can appreciate what the hon. minister has outlined. I am just wondering, are there any monies there to share with the farmer the cost of lannate if we have to go into a program such as we had last year? Is there a definite amount for that?

DR. HORNER:

Yes, there is a certain amount. We are hopeful that being on top of the situation we will not need what we had to put up last year by special warrant.

MR. CLARK:

Mr. Chairman, I assume from the hon. minister's comments with regard to crop insurance that the government has reconsidered its position with regard to statements that were made in the heat of last summer with regard to a disaster fund. Following a storm in the Lacombe-Stettler area there were some statements made with regard to the possibility of a disaster fund that would meet those kind of circumstances. I have checked the estimates -- I think somewhat carefully -- and haven't been able to see any allocation for it, and I am wondering if the government has rather decided to move into the direction of an all-inclusive crop insurance kind of approach rather than a disaster fund?

DR. HORNER:

Well I think -- and I have some responsibilities in the Emergency Measures Organization -- if I may just say a word with regard to my feeling in relation to agriculture, I think that an all-inclusive crop insurance scheme is important, but there are many other things that are also very essential in the case of a disaster.

I have instructed the head of the Emergency Measures Organization to contact the variety of departments that are involved in government to develop for next year a Disaster Act that would not necessarily be directed towards agricultural disaster, as such, but rather would be directed towards people disaster, as such. In other words, where people, because of an agricultural disaster, wouldn't have to go down on their knees and beg my colleague in Social Development for assistance. That assistance would be automatic and by statute. If we can come to that situation, so that when there are things such as the storm that went through central Alberta last year, or the year before the one at Viking, there will be enough provisions. Certainly, we experienced it in northwestern Alberta last year as well, in the flood thing. I think that we need some kind of legislation in relation to that kind of disaster that looks after people, and that they don't have to, as I say, beg, but there are certain automatic provisions in relation to the provision of a living expense, in relation to an expense to save their livestock -

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this kind of thing. I'd appreciate any input that any hon. member can add in relation to that kind of a Disaster Act which would be over and above and an umbrella, and would not be directly related to agriculture, but to people.

MR. CLARK:

Mr. Chairman, just following that along, as I recall the comments last summer, I believe they were directed more in the area of a disaster wiping out a farmer's complete crop for the year. So I now assume that the minister has broadened his idea somewhat, or changed it somewhat. I wouldn't want to be accused of putting words in the minister's mouth, Mr. Chairman.

In looking at a broad disaster program, Mr. Chairman, it seems to me that we can't go too far in this direction before we have to ask the question of how far does a person go in some kind of disaster insurance, and what are the responsibilities there and what aren't? I appreciate there are several areas that aren't covered in any kind of disaster insurance that you get, but on the other hand, I suggest that it's a touchy area. I appreciate there are real problems, and we've had them in our own area where the hailstorm will go through, and so on. You can go some distance, but if you go past that distance, and I'm not sure where that distance is, and then get in a bind, well why in the heck take out insurance or anything else? The government will look after us.

DR. HORNER:

Well, of course that's absolutely true, and I'm glad to see that the hon. member is broadening his attitude towards these things along with us, and I want to say to him very directly that I appreciate that. I want to say also that my views haven't broadened; it's a matter of crystalizing them in relation to the question at hand and, in essence, of course, it comes down to that, it's a disaster act for people and you have to set out the guidelines where the Executive Council or the Legislature -- and I would think the Executive Council, because you have to act quickly -- would designate a certain disaster area and certain automatic provisions would come into effect, including the provision of feed for livestock, if necessary, feed grain and living expense, without the degradation that sometimes is involved in applying through Social Development.

MR. TAYLOR:

Mr. Chairman, I'd like to commend the hon. minister on this idea of a Disaster Act. I think this is really a brilliant idea. I've seen the need of this not only in the agricultural field in hailstorms and frosts and so on, but in floods. If there is a flood that goes through the homes and the basements of two or three hundred people, then there is generally a fund set up and assistance given, and so on. But a flood can go through the homes of 20 people, even more severely than in the other case, and they get nothing because there's not enough people involved. I think the pursuit of this Disaster Act is a very splendid idea, and I hope it reaches culmination.

MR. NOTLEY:

Mr. Chairman, I was, as a matter of fact, going to make the same rather complimentary remark. I don't think we should get in the habit of doing it too often on this side of the House. I'd want a little more clarification on the hon. minister's comments. I think he mentioned, in talking about this, that this would mean some changes in the Emergency Measures Act. I wonder just what he means by that, because for a long time I've felt that the EMO was misdirected, and perhaps if we can shift it over to this direction, I frankly would be much happier.

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And then I wanted to ask him a simple question relating back to something the hon. Member for Olds-Didsbury raised about weather modification. Being born and raised in that area, I have a great deal of interest in it. I notice that last year the funding of the Weather Modification Commission came under this appropriation. I wonder if he could advise the House just what it cost us last year for the Weather Modification Commission?

DR. HORNER:

I think the outline here in regard to the Weather Modification Commission is sort of prejudging what the committee might suggest. I'll have to find out what it cost us, but most of the expense last year was involved in the Research Council and there was not any direct appropriation other than the Department of Agriculture.

In relation to EMO and the question of a Disaster Act, which in fact, we are using, I might say now -- and we will come to their estimates at a later time -- we feel that this needs a review in the entire area and that we should be more concerned with disasters which affect people, whether they be in the urban areas or the rural areas. We should be looking at new legislation so that if you have a major fire or an explosion in the urban area, there should be automatic provisions that will come into effect. I have felt this for a number of years having gone through on the federal scene, the Rimouski fire, the Winnipeg floods, these variety of things that happen over which people don't have any control, and for which, in my view, government has some responsibility to act and act quickly. There should be automatic provisions in these areas which the Cabinet, because the Legislature may not be in session, could automatically impose, even down to two or three families if necessary. There shouldn't be any limit on the lower end; this should be automatic.

I do it with the firm knowledge that we don't want to get into the idea that people will say, "It doesn't matter any more, the government will look after me." But in my view and having lived through some of these areas, it isn't what people say. They just want a fair break. If we can give them that, and I am quite sincere when I say it, all hon. members, we would appreciate your input into the suggestions in which we can structure such a Disaster Act for the future. I think it would be worthwhile.

I might add that there was an evaluation a year ago of a weather modification done by Professor Peterson. I will get the amount that was expended in that area. That was the amount that came out of the department and the evaluation showed that, in fact, weather modification did have some errors.

MR. TAYLOR:

Mr. Chairman, just so we don't get too complimentary (with an 'i'), I wonder if you shouldn't spell complementary with an 'e' where it appears in No. 1122.

MR. BATIUK:

I guess, at this time of day, either way would be nice.

MR. RUSTE:

Mr. Chairman, to the hon. Minister of Agriculture. Pending the passing of legislation in the form of a Disaster Act that has been discussed, could the hon. minister assure the rapeseed growers that the government will share in the cost of lannate or dylox this coming year, should the occasion arise, because of the restricted use of DDT and the additional costs that our producers are put to in the use of these two chemicals?

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DR. HOFNER:

Well, I think, as the hon. member knows, we announced one day ahead of him that we would share in the lannate costs. We will continue to do that in relation to the necessary needs of the people who are involved in the rapeseed industry. I would hope, though, that by the necessary action before that, and having some awareness of the problems that might affect us, that we would be able to move in that area. I want to say to the hon. member that in my view the question of root diseases is more important than insect diseases at this time in the rapeseed area.

MR. RUSTE:

I would like to suggest here that the Bertha army worm may be a thing that will be with us this year, that you can do something about, whereas, the root diseases may be a longer term program.

MR. BARTON:

I would like to ask the hon. minister a question. What stage do you think your Disaster Act is at? As you know, I have more concern for a thing that will be with us this year where you can do something about it whereas the root diseases may be a longer term program.

MR. CHAIRMAN:

Very well; yes, Mr. Barton?

MR. BARTON:

I would like to ask the hon. minister a question. What stage do you think your Disaster Act is at?

As you know I have a very serious problem; the Swan Valley was under three floods in the Driftpile and Buffalo Bay areas, and I'd appreciate a little bit more information. Will it cover immediate assistance, because they are still in the same situation as they were a year ago?

DR. HORNER:

They are still in the same situation now, because we haven't brought this forward. I simply say that in relation to the Swan River Valley and the Driftpile Valley they both hope that the weather will be good to us this year because it's a larger subject when you get into it than it first appears on the surface. I would like contributions from all hon. members as to how we could set this up, so that in fact if there is a repeat of the Swan River disaster, or the Paddle disaster, or the Viking disaster, or the Taber windstorms we can then have some automatic guidelines to move on. I think this is a real challenge to all of us in that, if we can develop -- we're developing at the same time the ideas of a forage bank, in particular in relation to the pelletizing and cubing plants that are developing in the province. I think it is not a difficult problem to have some emergency feed provisions available very easily, but these ideas are more concerned with doing something for the people on an automatic basis on declaration of an emergency area.

Appropriation 1122 total agreed to \$ 472,570

Appropriation 1123 Weed Control and Field Services

MR. RUSTE:

Is this the one that deals with the Agriculture Service Boards?

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DR. HORNER:

Not directly; it is part of the Agricultural Service Board program.

MR. RUSTE:

Are there any changes contemplated in the operation and dealings with the Ag. Service Boards?

DR. HORNER:

No.

Appropriation 1123 total agreed to \$ 217,470

Appropriation 1124 Pest Control

MR. TAYLOR:

Mr. Chairman I'm wondering if the hon. Minister of Agriculture has given any consideration to a province-wide mosquito control program? Perhaps it's not a pest in the sense that is mentioned here, but it's certainly a pest both for farmers and for urban people. Some of the difficulties today I think have been pinpointed over some of the radio programs in the city, which pointed out that the city can spend a great deal of money in trying to control mosquitoes, but there's nothing to stop the mosquitoes from north, south, east, or west, where they aren't being controlled, from being brought in by winds. It's the same thing in the City of Drumheller -- the City of Drumheller is much smaller, of course. It can spend considerable money on mosquito control, but it doesn't stop the mosquitoes from coming in from the ID and from municipalities where they haven't carried out the control. I find that the ID mosquitoes and the municipal mosquitoes bite just as badly as the city mosquitoes. I'm wondering if we couldn't give some thought to a province-wide control but I suppose then they would come in from Saskatchewan and B.C. It is a real pest in the summer time. It ruins the summer for hundreds of people, and really ruins it for those who happened to get a touch of malaria during the last war; the slightest touch of mosquitoes now can drive them almost into a delirious state. I'm wondering if it wouldn't be at least worthwhile checking in to see what a province-wide program in conjunction with the municipalities might cost.

DR. HORNER:

I think that is an excellent idea. On the surface it may sound a little facetious but I'm sure of this, that we don't appreciate the amount of -- if I could speak for a moment from the other position as a medical practitioner -- that we don't appreciate the amount of disease and the allergic manifestations that are involved in this entire area and the amount of carriers that our own common mosquitoes might be.

I think it would be worthwhile talking to particularly the major urban areas, in relation to an overall provincial program. Certainly I can appreciate a year ago when the City of Edmonton didn't have any program and they said they didn't have any mosquitoes and they were all coming in from Barrhead and Mayerthorpe on the northwest winds. So I can appreciate it - but seriously I do believe that if we're going to have some kind of control on mosquitoes, then this then can be extended into the black fly problem which is particularly prevalent in the north, particularly in the constituency of Athabasca and Lac La Biche and in the northern area of my own constituency. This is a particular problem in regard to livestock raising and I think that this entire area needs to be looked at and we would be quite willing to do so.

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MR. CHAIRMAN:

Very well. Yes, Mr. French.

MR. FRENCH:

Mr. Chairman, I would like to ask the hon. minister, is this the vote that deals with rat control?

DR. HORNER:

Yes.

MR. FRENCH:

On this vote, Mr. Chairman, I would like to ask the hon. minister if it would be possible to co-operate to a greater extent with the Province of Saskatchewan with respect to rat control. A few years ago I think I made a suggestion that possibly with the Province of Alberta and the Province of Saskatchewan, inasmuch as Alberta is rat free, that we could just move the barrier back a little. I understand today there are a number of municipalities in Saskatchewan that are co-operating with the pest control officers. I also understand there are some problems which could be legal problems as to whether a rat control officer from Alberta would have any jurisdiction in Saskatchewan. I would certainly ask the hon. minister if he would, when he's in the Province of Saskatchewan dealing with his counterpart, maybe step up this joint effort, which I think would be to the best interests of all concerned. I should say that in support of my representation about two or three years ago, I think some of the work was slackened a little bit along the line, and as a result we had a number of pockets in the province where we did have some problems in Alberta. But I should say the pest information I have now along the area where I am is certainly under control and I would like to see it continue that way.

DR. HORNER:

Yes, I agree with the hon. member. I think the best defence is an offence and we should engage the Province of Saskatchewan in negotiations to move the rat boundary at least to the Manitoba boundary, and then if Manitoba is willing to co-operate we could push it that much further, perhaps to Thunder Bay.

MR. KING:

With respect to both 1123 and 1124. I know that they might have been dealt with separately but it would be easier together. Could the hon. minister advise whether or not this is the total weed and pest control program in the province or to what extent similar programs are carried by municipalities? Whether or not any of this is cost-shared or whether or not any of the staff of either of these programs are used by the municipalities for their own programs? Because I know nothing about it.

DR. HORNER:

There are additional programs under Appropriation 1174 -- Municipal Relations in relation to agricultural service board administration. But these others are also in conjunction with municipalities. We do do some work even in the urban areas and the City of Edmonton and the City of Calgary in relation to weed control but the area of pest control hasn't been one that, outside of rats and certain other areas, we have developed with the urban areas. That's why I think that the suggestion from the hon. Member for Drumheller is worthwhile that the pest control in certain areas might be extended to a province-wide situation. And we'll look into that.

Appropriation 1124 total agreed to

\$ 301,860

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Agreed to without debate:

Appropriation 1125 Alberta Horticulture Research Centre \$ 422,500

Appropriation 1126 Horticulture and Tree Nursery

MR. BENOIT:

Has the hon. minister a list of the estimated revenues of the department and if so, do you estimate any revenue from this particular branch by the sale of trees or something of this sort?

DR. HORNER:

No, but I'm sure I can get that to the hon. member. It's probably in the front of the book there, but the amount of revenue is minimal at the moment because most of the trees are given to farmers free of charge, and at the present time we're providing them to the Department of Lands and Forests without any additional remuneration.

MR. STROM:

Mr. Chairman, on Wages, I notice in both 1125 and 1126, a tremendous increase in the wage section which must indicate a tremendous increase in staff. Am I right in my assumption?

DR. HOFNER:

Only partly. As the hon. member knows, it's partially an increase in staff, particularly in winter and summer staff in certain programs, but also an increase in salaries on the wage scale to the people that are involved there.

MR. STROM:

Mr. Chairman, if my rapid calculation wasn't too far out it's over \$100,000. Certainly that would not provide for increases in the wages paid; it must involve quite a number of men. Do you have any indication of how many people this will involve?

DR. HOFNER:

I haven't at the moment, but I can get that for the hon. member. In relation to 1125, of course, that deals with the Horticultural Research Centre at Brooks and there will be an increase in the number of people there related to the expansion of the current research programs. As the hon. member probably is aware there has been, and is continuing to be, an expansion of the research centre at Brooks and actually the revamping of the entire operation, to a much different type specific to particular crops and so on, and the demand for people on wages during the summer months has increased.

In relation to 1126, we have an expansion of the nursery program for seedlings and this means an increase in the numbers, but there is also an increase in the hourly rate as well.

MR. STROM:

I'm not interested in an exact number, but I'm wondering what the increase roughly is in the number of people in the wage section.

MR. RUSTE:

Well, Mr. Chairman, on that, there are two sections. One is a salaried one and the other is the one on wages. Now in the summaries it gives the numbers in the estimates for this year and the numbers last year, and there is an increase of two in 1125 and an increase of three in 1124 on staff. So I would take it those that would be the

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ones that make up the increases in salaries. In one case here there's about \$40,000 -- well not quite a \$40,000 difference in salaries in 1125.

DR. HORNER:

I think that when you are dealing with a research centre, you're dealing with fairly highly educated and relatively highly paid people, so that you not only have the increase in staff to consider, but you have the general salary increase to the other 23 that were in the organization before. In my view, having regard to the kind of people that you are hiring there, these are highly skilled research scientists and you're not going to hire them -- I think if we could hire two of them for the \$40,000 increase, we're doing all right.

The same thing applies under horticulture and the tree nursery. Again we're dealing with the increase of two, but we're also dealing with the general increase in the salaries to the 12 that were there before. And we're dealing with a double increase there if I might say so, in relation to last year's estimates, which didn't have in them the five or six per cent that was allocated to them, so that you're dealing with a double increase in the ordinary salaries in addition to the increase in numbers.

MR. MINIELY:

I wonder, Mr. Chairman, if I could just add to that comment. It's very important as we're going through the estimate in respect to salaries and wages that firstly, all hon. members realize, as the hon. minister has indicated, that we have double increases that arise between the '71-'72 estimates and the '72-'73 estimates, because last year's increase was not covered in the estimates presented in the spring. Of course the agreement was a two -- year agreement and therefore we have double increases included in the difference between your salary appropriations that are shown on the right hand side, far right of each appropriation.

The other factor is, in going through the estimates, that I would ask hon. members, when they are discussing salaried positions, to realize that again I will say in certain appropriations some staff positions were actually filled before the gap between -- for instance in 1126, 12 positions and 14 positions in this case may in effect be two new positions in our first estimates -- it may be less in other appropriations because of the fact that they were the positions presented last spring and included in last year's estimates. Some of them were filled, in fact, before September 10th and before March 31st.

Appropriation 1126 total agreed to \$ 418,210

Appropriation 1127 Soils

MR. RUSTE:

Mr. Chairman, here in the expansion of the feed testing program would the hon. minister elaborate a bit on that?

DR. HORNER:

What I would suggest is a minimal increase primarily in other expenses as noted. This is primarily for equipment for the testing procedures in relation to that. We don't have an increase in personnel here, but we hope to get a better service in relation to testing of feeds particularly and more and more as we become knowledgeable about proper animal nutrition. This becomes a pretty important thing to our feeders particularly. I would hope that with this newer equipment we will be able to give a better service in this area.

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Appropriation 1127 total agreed to \$ 264,830

Appropriation 1130 Animal Industry (Livestock)

MR. BUCKWELL:

Mr. Chairman, I would like to ask the hon. minister, is the Horned Cattle Trust still in trust or has this been absorbed into the government?

DR. HORNER:

There is still \$1.5 million in the Horned Cattle Trust Fund.

MR. CLARK:

Mr. Chairman, is this the appropriation where in the past funds have been made available to pay the freight for Alberta livestock exhibits to the Royal Winter Fair? And secondly, does the government plan to continue this policy?

DR. HORNER:

This is not an appropriation but the government does intend to continue the policy.

Appropriation 1130, agreed to \$1,124,230

Appropriation 1132 Dairy

DR. BUCK:

I would like to ask the hon. minister a short question. I have brought this up every year for four years and I haven't had too much luck!

MR. CHAIRMAN:

I wish you luck this year, Dr. Buck.

DR. BUCK:

Now that the Messiah is promising everybody everything, I figure that maybe I have a chance. Seriously, hon. minister, and the hon. Minister of Manpower, I think that there is possibly an area here that you could explore and this is in setting up some type of a course similar to what they have in the drilling industry where they take untrained people and place them in a school.

Because you, sir, are well aware that when you have inexperienced help working with dairy herds, your production can go way down, and because we do have a surplus of manpower available at this time, I think that it would be a worthwhile effort to look into the setting up of a school similar to what they have in the oil industry to train help for the farmers in the dairy industry. In the Edmonton area it is a very, very high volume and high income business, and it certainly requires some experienced help. So I think this is possibly an area that you could look at, and if it is feasible I think it would be a worthwhile effort.

DR. HORNER:

I can say this to the hon. member, Mr. Chairman, that I don't pretend to be any Messiah. I hope that we would operate this department on a commonsense basis and devise a manpower scheme, I had already given directions in the department that we would like to develop a program in which we could have apprentice farmers in relation to the specialty areas, particularly in the dairy, swine,

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poultry, beef and cattle areas. I am more concerned than ever that we need some sort of educational program on a practical basis in relation to the native people's co-ops in these areas. We are hopeful that at that time the federal government will come in with a program of fowl killing on a limited basis, so that we can regulate production to our domestic markets.

I would hope that in the future our poultry people would look beyond that market. In my view, down the road, I think you will see where eggs going to breaker plants will be only a few cents a dozen below table eggs because of the importance of egg powder and egg melange in future commercial endeavours in world trade.

MR. NOTLEY:

Mr. Chairman, just two points, one, quite frankly, a very parochial point. The Peace River Poultry Council is quite concerned that there is no longer a poultry specialist associated with the Fairview school. I am wondering whether or not it might be possible for the government to reconsider its position in this respect, in view of the fact that as we consider diversification in agriculture, there may well be a legitimate area for expanding the poultry business in the north and that perhaps a poultry specialist who looked at that angle might be useful.

The second point deals with a comment the hon. minister made in his speech in introducing the estimates. I wanted to raise this for clarification purposes more than anything else. It is my understanding that you mentioned the Egg Marketing Board might, in fact, set a limit on the number of hens that any one producer could have. I wonder if you would be a little more specific about that. Is this going to be government policy with respect to other marketing boards or is it just at the present time with respect to the Egg Marketing Board?

DR. HORNER:

Mr. Chairman, at the present time it is only in regard to the Egg Marketing Board. As I said when I introduced the estimates, I gave them a list of things I thought they needed to consider in relation to rationalizing the entire egg marketing situation in Alberta. I could review them briefly. Firstly, put a limit on the total quota that any one operator might have. Secondly, and a very important one was, if he was a producer, he then couldn't also be a wholesaler. Because one of our problems is that some of the large producers are also wholesaling Manitoba eggs. I use the term 'Manitoba' because that is their point of origin, not as any attack on Manitoba at all. But, in fact, some of these people are encouraging the importation of Manitoba eggs. The other thing was a rationalization of the egg board operation so that, in fact, no matter how small the producer was, if he was registered as a producer and had a quota, that he would have available to him, a marketing opportunity. This has not been the case for the past two years. We intend to do something about that. Hopefully, we will be moving in that area very shortly.

MR. TAYLOR:

Mr. Chairman, I wonder if the hon. minister could give us some information on the alleged loss of the Northwest Territories so far as the egg market was concerned, and the reasons for this.

DR. HORNER:

Mr. Chairman, they are simple. They have to do with price; they have to do with the price of Manitoba eggs. I think this will equalize in the coming months as we get a national program that is relative to the various producing areas. Then, of course, I think

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Alberta producers, providing they are willing to compete on a reasonable basis, should be able to enter that Northwest Territories market. I might say, in my view, this is the opportunity in relation to the Peace River country, in which we should be encouraging our operators in that area. I did intend to say to the hon. Member for Fairview that we are already reconsidering the question of the poultry specialist in the Peace River country and we hope to rectify that situation. In our view, once the national picture of the chicken and egg thing is settled we, as producers in Alberta, should be looking at that Northwest Territories, Yukon, and Alaskan markets in a realistic way.

Appropriation 1132 Dairy agreed to \$ 465,580

Appropriation 1133 Poultry agreed to \$ 244,420

Agreed to without debate:

Appropriation 1134 Exhibits \$ 29,580

Appropriation 1140 Veterinary Services - General

MR. CLARK:

Mr. Chairman, I would like to ask the hon. minister if it's the intention of the government to follow through with the program which I think was started a number of years ago and that was with the labs at Edmonton, Lethbridge and Fairview? As I recall there was a fourth area involved and this was the area around Calgary. What I would like to ask -- is there money in the appropriation for going ahead with that this year, and secondly is the government looking at locating outside of Calgary?

DR. HORNER:

Mr. Chairman, I can say very frankly that unfortunately because of monetary restrictions that it's not in the capital appropriations this year, but we have decided that such a facility would adequately serve the area and would be advantageously situated in Airdrie.

MR. FUSTE:

Mr. Chairman, on this, has the hon. minister given any consideration to expanding the vet clinics such as we have in the Fairview area in co-operation with the Veterinary Association and their veti-care into other parts of the province?

DR. HORNER:

I've had meetings with the Veterinary Association and with other representatives and have discussed this with Manitoba and Saskatchewan in my day in Saskatoon at the veterinary meetings there. I came away from Saskatoon with the very strong conviction that with a reasonable program of assistance in Alberta that the majority of the graduates from that veterinary college would end up in Alberta. I think that will happen. We are, at present, discussing this with the Veterinary Association. We have asked for their input back to us in relation to a number of questions, in relation to the assistance in the veterinary clinics themselves, in relation to all veterinarians who want to get into the large animal practice field. In addition to that we are awaiting a return from the veterinary association and farm organizations in regard to veti-care or veterinary medical services, VSI, in expanding this outside of the Peace River area, through all of Alberta. I think that generally this has been a worthwhile experiment in the Fairview area. We have contributed additional monies last fall into that program and we would hope to be able to expand our veterinary services throughout

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Alberta in the coming years. There is no doubt in my mind that adequate veterinary services at a reasonable rate to the farmers of Alberta will save them many millions of dollars in relation to animal costs.

MR. CLARK:

Mr. Chairman, just to follow up with the minister. I am glad to see the government is following along with this program and going ahead with the fourth location. I'll reserve judgment on the improving aspect. But I would like to know from the hon. minister -- when was the decision made with regard to locating at Airdrie?

DR. HORNER:

The decision was made some months ago. The official announcement has just been made.

MR. CLARK:

Mr. Chairman, I appreciate that reply from the hon. minister. But if the official announcement had been some months ago it seemed to me there might have been some advantage in letting some centres who were interested in this know then, because as recently as last week officials from your department were in the town north of Airdrie, namely Carstairs, talking to them about this possibility there. Now I certainly agree that is the government's decision as to where they are going to locate the facility. But it's one of the problems small towns have, that if a decision has been made sometime down the road they do some work towards trying to get a facility, and if in fact the decision has been made some months ago then it's pretty tough on these centres to get that enthusiastic the next time something comes around as far as their area is concerned.

DR. HORNER:

Mr. Chairman, I have to agree with the hon. member completely. I think that one of the things that really concerns me is the question of one centre fighting with another centre for either these facilities or new industry that comes into the area. My fear is that too many of these fights in the rural areas will, in fact, knock industry out of the rural area and that we are going to have to give a little and take a little and really compromise, particularly those of us who represent those rural areas.

MR. CLARK:

Mr. Chairman, I don't think I'm making my point very clear to the hon. minister. If, in fact, the decision was made months ago it seems to me it might have been rather wise, at least, to not have people going out from the department, to go to towns at the request of the towns and say, "What have you got to propose to us as far as a project?" Because if the decision was made months ago then at least you could have told the centres, "Look, the decision has been made."

DR. HORNER:

Mr. Chairman, I partially agree, but I would also point out that while the preliminary decision may have been made months ago I think that it's only fair that these other people might have something, some input that we didn't consider. We did consider a number of things in relation to that situation and considered trying to get in closer to the hon. member's home town of Olds and to certain other facilities in the veterinary care field, which I think are important to develop in the coming years and that's the question of veterinary aides -- or this type of person -- in our manpower training programs. We intend to follow this up with the Veterinary Association, and certainly it is a question then of where these kinds of courses might

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best be held, and whether you tie it into your laboratory or not. On the other hand there would also be transportation requirements that such a lab has, in relation to air transport, particularly in relation to rodent eradication -- but the air transport one is very important in this area, particularly in the area of virus diseases and so on, where air becomes very important.

MR. CLARK:

Just hopefully one last time, Mr. Chairman. Early in the comments the hon. minister indicated the decision had been made some time ago. I don't object, as it is the government's responsibility to make decisions. My only plea is this; on the veterinary clinic, whether you want to put it as close as you can to my own area or not, I appreciate your interest, as long as it doesn't get too immediate. But on a more serious note, I really ask the hon. minister that in the future when these kinds of decisions have been pretty well made, the sooner we can say to other areas that are interested, who don't really have much of a chance, "Look, we appreciate your interest, but on this particular project you just aren't going to be in the ball game," the better off we are for the people in these areas trying to get the thing.

Now going on from that, could I ask then, does the government have any thought of subsidizing veterinary operations commencing in these areas? Not to the extent that was done in Fairview, but I can use the example of Sundre. Sundre had tried to get a veterinarian in that area for a number of years. There is a veterinarian in Olds, one at Innisfail, and one at Carstairs. But it is difficult for people in that area, especially with the west of there opening up more. One of the problems they have had -- and they have been to Saskatoon several times and have talked to veterinarians about coming -- one of the problems is the first two or three years of operation. Now the community itself is prepared to put up some money, but has the government given any thought to some funding in this area?

DR. HOFNER:

I think this is an important area that we have to consider, in relation to our overall livestock program, in relation to the dairy industry, the hog industry and the beef industry particularly, and also the poultry industry of course; but we are giving some consideration to the question of helping people get started in some of these areas, and the decision really comes down to whether or not we provide some capital assistance for a large animal clinic, or whether we provide assistance on an operating basis. I would rather see the municipality or the local people provide the assistance on the operating basis, and the government be involved in some way in regard to the capital situation. In discussion with the students at Saskatoon this was their preference also. I can say to the hon. member, of course, that we are having the first large class in Saskatoon graduating this year. I expect, very confidently, that the number of veterinarians who will be willing to come into adequate facilities in the rural areas to provide a large animal practice is going to expand pretty rapidly in the next two or three years.

Your question, Mr. Chairman, regarding this vote, the increase I notice is almost 20 per cent. I was wondering if part of this increase was going to come about from the bill that is before the House regarding The Meat Inspection Act, and also regarding the inspection of animals at slaughter-houses for health requirements and for more humane slaughtering practices. I was wondering if this would come under this area, and if the hon. minister could enlarge on just how strong a program this is going to be; is it going to be a very close inspection, or is it just going to be a 'hit or miss' idea?

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DR. HORNER:

Well, I would like to assure the hon. Member for Calgary Millican that this government doesn't do anything on a 'hit or miss' basis. Secondly, the idea of The Meat Inspection Act, as was outlined when the hon. Member for St. Paul introduced it into the Legislature, was that this was part of our marketing program, in effect. It also has these other things that other people have wanted for a number of years, and that has to do with the disease question in meat, and the question of having adequate knowledge in relation to where the meat came from. I think it is very important. Other provinces have made arrangements with the federal government in relation to inspections in other points. The problem there is that they then restrict the points that they'll go to, whereas if we have a provincial program we can ensure that if there is an adequate facility that wants to operate in a particular area, then we will be able to inspect it properly. This vote doesn't include the extra money that is required for the kind of inspection that is going to be required under The Meat Inspection Act. That is the reason why we wanted to bring in The Meat Inspection Act, and allow it to be discussed in the Legislature and to hear representations from the trade itself in relation to the costs that are involved.

I'm not trying to hide that there are not going to be increased costs, but I think there are going to be increased benefits to the province in a health way and in a marketing way, in a real sense.

MR. DIXON:

I'm sorry, Mr. Minister, I didn't mean the term 'hit or miss' the way you took it, I meant spot inspections rather than everyday inspections. I probably used the wrong term. I remember a few years ago when we talked about this that there was some objection regarding the costs. You have enlarged on it a bit but I take it then that you are going to have meetings on the bill before any decision is made regarding costs -- how they are going to be arrived at -- either at the plant or some other source?

DR. HORNER:

I must say that the Locker Plant Association and a variety of people involved in this area have asked for this thing. And of course, the veterinary people have been asking for it for a number of years, I think sincerely in the view they want to improve the quality, even though they will be the primary people that we would use as inspectors in the area. But it is also a method in which, rather than direct subsidization of veterinarians, we can provide some useful work for them in the outlying areas that will compensate -- and hopefully, attract -- veterinarians to large animal practice.

MR. BENOIT:

Has the hon. minister or his predecessor, to his knowledge, ever been approached by the veterinarians of the province, either officially or otherwise, with regard to the possibility of some kind of medicare plan for veterinarians?

DR. HORNER:

Yes, I don't know whether the hon. member was here a few minutes ago when I talked on that. We have been having discussions with the Veterinary Association generally, and also with the livestock associations, because they are the users and I think they are rather an important element in the entire area. Whether or not we can take the experience we have in the Fairview area and expand it into the other areas of the province is one of the questions before both the Veterinary Association and our department. As I said earlier in discussing these estimates, we feel very fortunate in the Province of Alberta with the calibre of veterinarians that we have, and we would want to continue that.

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Appropriation 1140 total agreed to \$ 563,560

Appropriation 1141 Veterinary Field Services

MR. FRENCH:

Mr. Chairman, could I ask the hon. minister, is it the intention of the government to proceed with Bill 49 and withhold proclaiming the bill until you have representation, or what is the position? Bill 49 is The Meat Inspection Act.

DR. HORNER:

No, we would hope to go through second reading of the bill and perhaps through committee at the spring session, and allow it to be set aside to the fall session for final passage, so that we could hear representations from the trade and from any interested body in relation to the area that is involved.

MR. FRENCH:

Supplementary question, Mr. Chairman, then I take it from the hon. minister that he would appreciate representation to the public at large to the Executive Council during the summer, or will you be referring this to the Select Committee of Agriculture in the fall -- the Public Accounts Committee, I believe?

DR. HOFNER:

Well, it certainly is not our consideration to refer it to the Public Affairs or Agriculture and Public Affairs, because this is a pretty large committee of the entire House, but we would be willing to see if there isn't a smaller committee that might deal with it if the need is there. But we would appreciate receiving representations from a variety of people involved in the trade and in the production end, so that we could make any alterations in the act that would be worthwhile before it is finally passed.

Appropriation 1141 total agreed to \$ 502,500

Appropriation 1142 Fur Farm Services

MR. RUSTE:

Mr. Chairman, on this could we have a report, similar to the one on the snowed-under crop insurance program or loans, that relates to the mink loans that are outstanding?

DR. HORNER:

Yes, I think we could provide that for the hon. member, the number of loans that are outstanding and their position in a general way. As the hon. member may be aware, the late fall sales in the fur industry were encouraging and were much improved, and that is one of the areas that I take no credit for, as it so happened. We are appreciative that, in fact, it has improved so that fur farmers might have a better arrangement.

MR. NOTLEY:

I would like to ask the hon. minister.

MR. NOTLEY:

I'd like to ask the hon. minister what can be done to stimulate fur farming along Lesser Slave Lake, which, as you know at one time was the major centre. I'm just wondering whether that's been tied in

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with the federal government program there at all, to bring it back to life?

DR. HORNER:

Well, Mr. Chairman, it hasn't been part of the federal program up until now in any case, because until last fall the entire area of fur farms was in a very depressed condition. One of the reasons that the former government brought in the guaranteed interim assistance loans was for that reason and we've had a gradual decline in relation to the number of people involved in the fur farm industry. I would be quite willing to have a look at it to see whether there isn't any area for expansion. It's a very touchy area in relation to the market for fur. It also has something to do with the question of killing seals, and the entire area that we're now coming into in a general way and that furs don't seem to be the 'in thing' sometimes.

MR. CHAIRMAN:

Yes, Mr. Benoit?

MR. BENOIT:

Mr. Chairman, the hon. minister said he would bring in a report to the hon. Member for Wainwright. Will that be made available to all, or are you going to report it publicly? How will that be brought in?

DR. HORNER:

I'll make it available to all members.

MR. BENOIT:

OK, fine.

Appropriation 1142 total agreed to \$ 20,050

Appropriation 1143 Analytical Services

MR. DIXON:

I want to address a short question to the hon. minister on -- I know we went by it -- on 1142, but I have had some complaints from the chinchilla breeders -- I won't name companies -- one or two of whom sold substantial stock and promoted it in other ways -- I have in mind some farmers in the area just north of Calgary who came to me complaining -- and I was wondering if that situation was ever cleared up?

DR. HORNER:

Well I understand that there was a major promoter in Ontario who provided the chinchillas and then provided -- or was supposed to provide -- the market also. Unfortunately he went bankrupt and this had a chain or a ripple effect back to all chinchilla breeders. One of the things that has concerned me over the years is the advertising that was done by some of these firms in relation to the chinchilla industry. I think it's been mentioned in this House before -- as a matter of fact in previous years I think the former member from Lac La Biche brought it up on occasion and I can recall others dealing with it -- but perhaps the Federal Minister of Consumer Affairs should have something to say in regard to truth in advertising in relation to the chinchilla operation generally. I'm quite willing to have a look at that, but I do know that's what happened; the guy that was promoting it went broke and left a bad thing for all.

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MR. CHAIRMAN:

Very well.

Appropriation 1143 total agreed to \$ 124,590

Appropriation 1150 Marketing-Administration

MR. STROM:

Mr. Chairman, I'm not sure whether this is the place where I should raise it but I'm sure the hon. minister would like to give us some information in regard to the question that I'm going to raise.

During the question period there have been a number of occasions when we on this side have raised questions in regard to the hog operation in southern Alberta, and I'm interested in knowing whether or not the hon. minister has been able to track down more information in regard to this operation, particularly as it relates to markets, because if it was at all feasible, as suggested by the promoter, there must be a tremendous market as yet untapped and available to us.

DR. HOFNER:

Well, I can say this, Mr. Chairman, I think that there is a very large market in the Pacific rim countries for pork products, provided we can meet quality and price.

DR. HOFNER:

I don't have any further information with regard to this individual's marketing capability and we are awaiting word, both from DREE and other sources on that. However, I can report to the House that we are in an arrangement with the Hog Producers' Marketing Board in relation to a pilot project of exporting into the Pacific countries on a sustained basis.

Again I come back to the problem that really is the problem that we have to overcome, and that is the question of how we provide a continuity supply product in relation to this market, because we are just fooling ourselves if we think that in the times of surplus we can dump our product into that market, and then when we don't have any, or the price goes up, or some other thing, that we are going to get back in then when we want to get back in. We have to have a realistic and pragmatic look at this market and say we are willing to do this for a stabilized return in a certain area. As I have said, we have already indicated to the Hog Board that we are willing to go with them, as partners if you like, in relation to an opportunity in the Pacific Rim countries. We have some problem -- we are into a field in which I would like to be more candid, but in which it is fairly competitive. I guess I feel a bit like the Wheat Board used to feel when the people wanted to know what was the price of things, because you are into an area in which it is a competitive area, and in which it becomes very important that you are able to compete. If you divulge too much ahead of time you can hurt your own marketing possibilities. This is a pilot project in which, as I said, we are going with the Hog Board in that area.

We are also providing some monies for the Hog Board to make a trip, along with people from our new marketing organization, into the European countries, particularly in Denmark and Italy, who have some knowledge about providing a continuity of supply to these markets, and how you join with the farm organizations in the area, how you can make sure that you can provide the supply for the markets. Those are the two things that we have initiated already. We believe that down the road it may be necessary to form a legal entity, or an import-export agency, in which a variety of people might be involved, so that we will have a vehicle to deal with the export market itself. I do believe, though, that there are fairly large markets for pork in

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the Pacific countries. They are natural pork-eating countries, but we do have to have some consideration for price and for continuity of supply. Again I ask, if anybody has any ideas of how we can do this without upsetting our domestic market, I would really appreciate his thoughts.

MR. STROM:

Mr. Chairman, I don't disagree with what the hon. minister has said. I would like to point out to him that their government has said a great deal about their interest in promoting additional industry, encouraging greater production. And what really concerns me is that we have had a proposal bandied about, and it seems to me the government would have been very capable of sending a man directly down to a former base operation, get the information back here, and advise the people of this province as to whether or not it had any merit whatsoever, or whether it was a proposal that ought to be totally abandoned. I am still waiting for the hon. minister to make a positive statement in regard to it.

DR. HOFNER:

Well, and so is the minister. As soon as I have that information I will make it. We are trying to get hold of that information through a variety of international agencies and through the federal government.

With regard to this particular organization, my major concern was to stop the initial idea that was promoted that he was going to produce the hogs for his plant. That was my initial concern. Secondly, there had to be some other consideration in regard to this pork, even if he contracted or otherwise, getting onto the domestic market. There had to be some concern as to the role of the Hog Marketing Board in the entire operation. There had to be some concern in relation to whether or not he, they or anyone would entice certain farmers to gear up for major production of hogs and then have the rug pulled on them.

I think these are important considerations as much as I would like to see the industrial complex built in the area. But my responsibility is to try and make sure that the farmers are not going to be enticed into an operation in which the rug is going to be pulled on them in a year or two down the road. This we intend to do. He has made an application to the Department of Regional Economic Expansion in relation to this particular plant. I've asked DREE to keep us informed in relation to their views upon this matter and as I've said earlier, we will initiate a number of investigative procedures as to the reliability, etc., in regard to that situation.

I want to make it perfectly clear that at no time have we, as a province, suggested that we would be part of the act. We as a province were concerned about the question of maintaining that our farmers, whether they be the hog producer, or the grain producer, involved in the contracts, that they would be treated fairly and that there would be a reasonable and open arrangement between them and the processor. I can't give any more information than that. Having regard to the furor that this has caused, it has done some good in that it has focused attention on the markets that might be available in the Far East, and it has encouraged both the government and Hog Marketing Board to move faster than perhaps they might have the ordinarily done in gaining knowledge about how you service the market, how you can get into that market, and how you can service that market at the same time using the Hog Producers Marketing Board as the principle selling agency in relation to hogs.

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MR. STROM:

Mr. Chairman, the government has not directly made any investigations. The investigations have been left to others, for example, the federal government, who may be in a better position to do it. I take it that this is what the minister is saying. Now my question, if I can call it a question -- it's a question and a statement -- does the minister not feel that it would be important enough to send a man directly from the provincial level to his former base of operation, so that you might get first-hand information in regard to the man's previous program or project?

DR. HORNER:

Mr. Chairman, I think that that might be a useful way of doing things. On the other hand, I think that there are channels in which this can be checked out, go through the Department of External Affairs and other regulatory agencies, and we have made submissions to these agencies in relation to checking it out. We haven't got a report as yet. As I've mentioned, I'd like to have a report also, so that I could give it to the farmers of southern Alberta in particular. I want to stress that this is part and parcel, again, of the question of how you meet the market that might be there, with a continuity of supply, without disrupting the domestic market. If it's necessary, as in the case in point, it may be necessary to get some guarantees so that if something happens to that contract, that this isn't dumped on the domestic market, causing all the farmers of Alberta a fairly substantial financial hardship.

MR. NOTLEY:

Just further to the hon. Member for Cypress's comments. I think that the proposed operation in southern Alberta is a very important one that has a number of ramifications. I would be happier if the Alberta government was in a position to assure us of the firm's market capability and also their financial reliability. I think that it would certainly be in the interests of the province if rather than waiting for the federal government to move, either through DREE or through the Department of External Affairs, that perhaps someone from the Department of Agriculture here would go to the Far East, and as much as possible check out the various points that have been raised. And I say this because these queries have been raised, as the hon. minister knows, all over the province by many farmers who are concerned about it, including some members of the Hog Marketing Board.

Mr. Chairman, I appreciate the general conditions set out by the government in dealing with this proposition. I think if it is going to go ahead, the production must go through the Hog Marketing Board. What concerns me, however, is if there is any contract farming considered, because the identification is taken off the tape now, for contract farming to have any practicality at all, there would have to be some retreat from that point, which I think the Hog Marketing Board took some time to establish. I think is a very good proposition that all buyers have equal access to all production. There is anonymity in that they are not able to find out whose hogs they are buying.

As a consequence, Mr. Chairman, I feel a few concerns about even the discussion of contract farming unless it is nailed down hard and fast, that it will be some procedure which the Hog Marketing Board clearly establishes and is consistent with the fact that the hogs that go through are not somehow pre-arranged.

DR. HORNER:

That is what I think.

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MR. NOTLEY:

Mr. Chairman, as I say, I appreciated most of your remarks on it. The final point is, again, the concern, especially the smaller producers in my constituency have voiced to me, about the impact of this large venture which could substantially increase hog production in the province; and that, if something happens to that market, and we find an over-supply of hogs dumped on the domestic market, we could be in a very difficult situation and many of the smaller operators would be the first to be hard hit.

So, for that reason, I say this, not in a political sense, but I say it sincerely, that we should follow up the hon. leader of the Opposition's proposal, and, make an honest effort as a province to find out just where we sit on this particular matter.

DR. HORNER:

Mr. Chairman, I don't have a report in the very near future. I am going to have to agree with my hon. friends. But I always was under the maybe naive impression, that if one asked the federal Department of External Affairs, one could get some kind of an answer. So far, we haven't got it in the kind of time I would have liked.

I do agree and I want to make it perfectly clear that there will be no contract approved without the approval of the Hog Producers' Marketing Board. I don't know how I can say that any clearer. I resent, a little bit, the implications that have been going around that this is not what is going to happen. I made that clear from the outset, that with any negotiations with this particular organization, they had to have the approval of the Hog Producers' Marketing Board.

In addition to that, as the hon. member well knows, we had some reservations in regard to the question of a research unit and we have some very substantial reservations in regard to some sort of pretty substantial monetary guarantee that these hogs are not going to be dumped on the domestic market. We are aware of that. Again, I come back to the situation why we can get into an argument in relation to the handling of that particular plant. I think the overall thing, if we are really meaningful in expanding our export market, is that we have to come up with some ideas, be it contract buying -- there are other alternatives, perhaps the agency question as I raised; buying in at appropriate levels would do two things: give us that continuity of supply, and also provide an effective floor price for our producers.

These are the things we have to consider. I said, right from the outset, that we would need the combined wisdom of all members in relation to this area to provide a useful mechanism as to how we can get into the export market and stay there. There is absolutely no point in our continuing to dump occasionally into the export market.

MR. STROM:

Mr. Chairman, just a point on the continuity of supply. I notice the hon. minister has mentioned it several times. I certainly agree, and I would like to ask the question. Do you feel there is any way that farmers will guarantee continuity of supply without contract?

DR. HORNER:

Well, the best way I know to guarantee continuity of supply to a farmer is to pay him a reasonable price for the product he is going to produce and so I suggest that one of the other alternatives -- I hope it isn't the only one -- would be to have an import-export agency perhaps composed of government, the Hog Marketing Board, the processors, and other individuals who would on occasion, at certain levels, buy in. They would punch the tickertape like any other processors -- and whether they processed themselves or had it done on

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commissi~~on~~ -- they would then have a supply that would be available for export. And, as I say, the advantage would be that it would be our own provincial program of price support, if you like, hopefully at a no-cost basis to the ratepayers in support.

MR. STROM:

Having had some experience with the way farmers operate, and being a farmer myself, I suggest that this price factor that the hon. minister talks about is relative to a number of factors, not necessarily to price alone. For example if there is an over-supply of feed then they stay in hogs and guarantee continuity of supply, simply because they want to get rid of grain. But in the minds of many farmers they are constantly assessing, not only the price factor, but they are also assessing the way that it maybe fits in with their total farm operation.

Where this has become very evident is in the south and I'm going to mention an operation which many people were very optimistic about when it first came in, and that was the cucumber industry. A man came in from the east, established an industry, was assured by a very prominent southern Albertan that the farmers would give him a continuity of supply. It didn't last very long. I believe he operated for three years when he finally had to pull out, simply because the farmers would not recognize that they had to make it a primary crop or a number-one operation. They relegated it to second and third, finally indicating that they were not interested and the product wasn't of high enough quality to continue. So I suggest that there is a lot more to it than just a price factor, and in order to insure a continuity of supply I think we have to look at more than price.

This is my reason for raising the matter of contract. I'm not saying that it is the only solution, but I do believe that there has to be some fairly firm tie-in that keeps the farmer in operation for at least a guaranteed period of time. Now I would like to hear the hon. minister express himself on this factor, because I'm sure that he is not naive enough to believe that just the price factor will take care of continuity supply.

DR. HORNER:

Well I'm not, and of course it won't, but I think that one of our problems has been that because of surpluses in the grain industry people have gone into the hog industry very quickly and without, perhaps, the kind of knowledge or the kind of interest that is required to sustain an operation over a period of years. We have had some discussions and I've asked the Hog Marketing Board to come back to me with their views in relation to what we could do as a department to upgrade the industry in relation to people continuing in hogs on a continuing basis.

For too long our hog operations in all of western Canada have been an in and out operation based in relation more to the supply of grain that they couldn't sell, rather than in a knowledgeable hog operation and hog-producing unit. So we intend to look at the question -- as we have in regard to the dairy industry -- of providing guaranteed loans for marketing opportunity there, that we would look at the hog industry and provide for those people who are sincerely interested in upgrading their hog operation, so that they would continue in the production of hogs on a continuing basis, and to provide them with the necessary capital and operating support so that they could do that. I think I agree with the hon. member that it's important and it's not just price, but it is a total matter of economic return. And I also think that you have to like the "critters" -- as my friend from Cochrane-Panff would say -- if you are going to be dealing with them on a continuing basis. Again it also ties in with what the hon. member for Cloverbar was raising, and

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my colleague, the hon. Minister of Labour and Manpower, in relation to the specialized knowledge that is required in a modern up-to-date hog operation.

I hope that we can provide through our manpower courses that kind of almost apprenticeship, if you like, in relation to the adequate looking after of hog operation. And there, we have had a number of representations from people who have specialized in this area, who have speciality plans in relation to the quality of product they can supposedly guarantee, and so on. Some of them are very sincere in their efforts in this area and it has to do with nutrition, with general management of a hog unit and so on.

These are the things -- you are quite correct -- that are as important as price in just the relationship of price. When I talk about price I am talking about income, and I am talking about return on investment, and I think these are the basic requirements. If we can get to that area, why then I think we can have a continuing program. But I will say, as I have said, we have already asked the Hog Marketing Board and our negotiations with them are fairly well along as to the kind of program they would like to see that would be tailored to the hog industry itself.

MR. RUSTE:

Mr. Chairman, on either 1150 or 1152, was the Department of Agriculture consulted as to the appointments to this national marketing agency that was established recently?

DR. HORNER:

No.

MR. RUSTE:

They weren't. There was no contact with them in that regard?

Appropriation 1150 total agreed to \$ 139,370

Agreed to without debate:

<u>Appropriation 1151</u>	Marketing Intelligence	713,800
<u>Appropriation 1152</u>	Commodity Support	280,660

MR. STROM:

I should have asked on the other vote, and I apologise for not rising on it. Is it under Marketing Intelligence that you would provide forecasts on possible markets for farmers?

DR. HORNER:

Yes, it is.

MR. STROM:

Then tonight -- I will just ask this too -- to what extent do you anticipate co-operating with the federal government in their forecasting programs that they are presently carrying out?

DR. HORNER:

We would hope to have a major amount of co-operation with the federal government in relation to their forecasting. We appreciate and I think they do, that we do have some special circumstances in the province of Alberta in that we have a diversity. For instance, as the hon. member is very much aware, that ranges throughout a

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pretty wide spectrum. We also have some opportunities because of that diversity in relation to our geography and our climate and I hope that this would be part of it. I am also sure that the hon. Leader of the Opposition is appreciative of the kind of -- what will I say -- treacherous, no, the trail that you are following when you start forecasting in an accurate way. I think we have to be general but I do believe we should use our credit programs to tie into the marketing opportunities, and this is what we would like to do and what we have set out to do rather than have an overall credit program that is a basket that everybody jumps into. We would have a program -- as we have announced already for the dairy industry -- that we are working on for the hog industry, that we hope to announce very shortly for the potato industry, and so on, so that we can, in fact, tie our credit programs and our incentive programs, if you like, to marketing opportunities. I agree that this is also a pretty precarious path to follow but I am willing to take that path if we can do what we have set out to do to improve the marketing opportunities for our farmers.

MR. STROM:

Mr. Chairman, I must express a concern here in regard to the forecasting. Do you not feel that there is a real danger of an overlap in service that already exists with the federal government? I'm not going to argue the value of the federal program as it related to the province of Alberta -- I think there is room for argument there -- but I would hate to think that you are directing your staff to research information and come up with forecasts that would be directly parallel with what the federal government is doing. And I'm wondering if the hon. minister would like to comment on that?

DR. HORNER:

I appreciate that the federal government has a major resource in this area and we would hope you would be directing your staff to research information and come up with forecasts that would be directly parallel to what the federal government is doing. I am wondering if the hon. minister would like to comment on that?

DR. HORNER:

Well, no. I appreciate that the federal government has a major resource in this area, and we would hope to use that resource and tie it in with our own interpretation and our own evaluation of the marketing opportunities that are available to us. Again I say that I think this is an area that is pretty diverse and pretty different than some of the other prairie provinces in relation to what we can produce and in relation to the market opportunities that we might have, that we have to have some market intelligence of our own so that we can more properly inform our farmers and allow the final decision to be made by them.

MR. FARRAN:

I don't want to delay any topic with any more nitpicking, but I do believe that we should notice the significance of all the appropriations from 1150 the whole way through to at least 1156 as indicative of the new thrust of this government in the field of agriculture, and I would have expected a few words of praise from the other side of the House for the very progressive initiatives that have been taken by our Minister of Agriculture in the field of marketing and sales and export. We have some increases, we start with one of 76%, 49%, 454%, 79%, 124%, 219%, and then for 1156, 483%. Now this just shows that we have a government that is doing something; that is, not only talking but is really in the field of action.

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MR. DRAIN:

Mr. Chairman, this is one of the finest exercises in garbage dissimulation that I've ever heard of in a committee of this nature. Here we are, bending our utmost endeavours to seek guidance from and to disseminate instruction toward the hon. Minister of Agriculture, and here we hear a blast of political propaganda. You won the election -- we're not crying about that -- let's get on with the job, boy!

MR. CHAIRMAN:

I wonder if the hon. Member for Pincher Creek-Crowsnest realizes it's Oscar night tonight, too.

MR. SCHMID:

Mr. Chairman, this is indeed the Oscar night, if the hon. Leader of the Opposition will permit me. 'A Clockwork Orange' did not win the best picture award, nor any Oscars.

MR. STROM:

Mr. Chairman, I'm not sure whether I should get the interpretation of just what was said, but I would just like to say to the hon. member for Calgary North Hill that as an old newspaperman, I'm sure that he recognizes that they were never very quick to give praise until they saw results. We're certainly very happy to see it in the estimates, but I for one am not going to get carried away until I've had an opportunity to see how the program works, and I'm sure the hon. minister would not want us to get carried away. The amount of money that is being spent in an area in which we also had recognized that there was a need to do something is encouraging, and we will be waiting with a great deal of interest the results that we would expect may come from it. But we will await our decision as to what the results actually were.

APPROPRIATION No. 1153 Milk Control

MR. NOTLEY:

Mr. Chairman, I would like to direct this question to the hon. minister. The Milk Sharing Plan has been passed and I would like to pose several questions to the minister, first of all the three million pounds of quota that we're going to try and steal back, has there been a criterion set up yet for awarding this three million pounds? Secondly, has there been any consideration given to a central quota clearing of farmers in my area who, as you know, are quite a ways off, and for

Now let me explain why I raised this, because I have another them to try and track down quota, this is an enormous problem; if the government provided a central clearing house, this would make it a great deal easier. Then the third point, there has been, at least in one of the farm organizations, some criticism of the whole concept of quotas being negotiable and it is the contention of at least this organization that quotas should be non-negotiable. I wonder if you would have some comments on that.

DR. HORNER:

Well, I think initially the question relates to the sort of quota that we hope to get back, and what the criteria are that we'll use to allocate that quota. In my view it will be allocated to young people starting up in the industry, it will be allocated to the small producer who wants to expand in a moderate way. There will be -- as there already is in relation to the Canadian Dairy Commission -- a subsidy -eligibility quota on the total amounts, so that is the formula we'll use and the allocation of the quota that we get back. It will be a matter of a month or two until -- I am sure the hon.

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member can appreciate the amount of book work that is involved here, it is pretty substantial. We are getting a computer runout from the Canadian Dairy Commission at of the first of April. We will have this just as soon as it is physically possible to get the bill printed -- the amendments to the Milk Control Act, to enlarge that board, so that it will have representation from the industrial milk shipper, the cream shipper, and the consumer. Then we would hope that under the criteria we set out that this additional quota will be allocated.

In addition to that we intend to set up a quota clearing house in relation to, not only the market share quota, but also the subsidy-eligibility quota. One of the things this has done has removed the quota from the cow, and it will substantially, I think, reduce the value of the quota -- at least the difference in the cost of a cow, I think, will be of importance to our producers. In relation to the idea that, in fact, these quotas should be non-negotiable, if you like, or that they should not have a monetary value, this would be an ideal situation to get to. I think that what we can strive for in a realistic way at the present time is to try and reduce the value that is there.

Certainly, we are then into an area in which the next problem that is going to arise is the problem of the transfer of the quota from one province to another. This is already starting to rear its head and whether or not we can -- I think there are two things that are important to Alberta in that regard. One is that we have to show that we can use all the quota that the Canadian Dairy Commission is going to allocate us, and I would hope that we would do that in a meaningful way. That is one of the reasons for the dairy support program, and also one of the reasons in which we hope that the Rural Industrial Fund will be a major input into this area. We have to use our quota, otherwise we are not going to be able to maintain it in the national share.

Then I would hope that we would be able to show the Canadian Dairy Commission that we need an additional quota to come into Alberta to look after our own domestic needs. I can appreciate there are going to be some problems in the next year in this area. We hope that we can meet them head on and deal with them on the grounds that I have outlined in relation to who should get the extra quota. This would be on a relatively nonmonetary basis -- the additional quota. The transfer quota is still going to have a central clearing house for both the subsidy-eligibility quota and the market-share quota.

Appropriation 1152 total agreed to \$ 760,370

Agreed to without debate:

Appropriation 1154 New Foods And Quality Controls \$ 440,050

Appropriation 1155 Domestic Marketing

MR. RUSTE:

Mr. Chairman, on this I recall a meeting that we had with the Hog Marketing Board personnel in our department, the people who sell the hog products -- that was what we were looking at that time. We had a barbecue that kicked off a pork promotion program. Is the hon. minister considering the expansion of these and into other lines as well as into the park areas?

DR. HORNER:

Mr. Chairman, we have some concern in that area because an evaluation of that program in relation to the amount of additional pork that it sold wasn't that productive. However, we think there were other ways, particularly in the field of convention servicing,

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and in these other areas in which we have to really do much more than we have in the past. We will continue the traditional form of an advertising campaign for particular products, but we would hope that we would have some different programs in relation to what I have already talked about. The identification of Alberta products, about this question of convention servicing because it is an interesting thing in relation to pork.

Once you get into this job, as the hon. gentlemen opposite know, you are on the banquet circuit. In five to six months of that banquet circuit, the only time I got pork at a banquet was at the Western Hog Growers' Convention. I do think there is a need here to -- and we have had some discussions with our home economists on ideas that we were considering to go along a variety of lines but certainly the idea of providing menus for conventions, things here with availability of product and this kind of thing, tying it together as a domestic promotion. I would like to say again that I think that part of the domestic marketing, is being very much aware of the changing food habits of the people in Alberta in relation to the kind of foods that they are eating.

And I now bring up again what the pizza business has done to the dairy industry, and what the high-rises have done to the food problem generally. It is of major importance in agriculture in relation to how people eat and how they live. I've been rather impressed -- having moved in a temporary basis into a high-rise, and have gone into the supermarkets surrounding that high-rise -- with the entire difference in the type of food that's available in the convenience stores and in the smaller supermarkets in the high-rise areas, as compared to the kind of supermarkets I've been used to dealing with in the country. When you walk through there you can't find a TV dinner made in Alberta.

When I was in Medicine Hat the other night I was talking about this subject, and unknowingly one of the chaps who was at the head table happened to run the supermarket. He came up to me afterwards and he said, you know, "you hit it right on the head." He said, I've got all kinds of convenience foods and not one of them is made in Alberta. The challenge I left with Medicine Hat was that surely here was an area that had the meat and that could produce the vegetables and that it would take a concentrated effort by both business and agriculture to do something about this domestic marketing opportunity.

Another thing that rather jarred me -- and this came from the broiler chicken people themselves -- that there wasn't a place in Alberta that was making pre-prepared chicken pot-pies, etc. They are coming into Alberta from somewhere else. These are the kinds of things -- when we're getting into the convenience area of food -- that in my view we have to be concerned about. When one pizza operator in the City of Edmonton can take more cheese than one cheese factory of moderate size can produce in an area, we'd better pull up our socks and look at these things, if we're really meaningful about looking after our own market right here at home.

Appropriation 1155 total agreed to \$ 302,630

Appropriation 1156 Export Trade Commissioners

MR. NOTLEY:

Mr. Chairman, I have a number of questions here. First of all, how many trade commissioners do we anticipate appointing under this appropriation?

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DR. HORNER:

Mr. Chairman, we anticipate appointing four, and they would work under Mr. Hargreaves. In addition, there is support staff related to this. I would want to say, though, very quickly, that they would be working in conjunction with the trade propulsion programs of the Department of Industry and Commerce of our government and would be working as a stimulus, if you like, or as a adjunct to our federal Trade Commissioners in various areas of the world. We think that it's rather important that, having had some contact with these federal Trade Commissioners in the various trade and commerce offices of the federal government around the country, that I've been impressed by the fact that they don't push particularly agricultural goods or a particular kind of agricultural goods. We think that there is a major area here in which we can work with some effect on the total market available to Alberta producers.

MR. NOTLEY:

My understanding is that they are working with the Department of Industry and Commerce as you suggest. The reason I raise this is that I'm particularly concerned that we make as much effort as we can in exploring the Pacific Rim area to get into the Chinese market. I say this, because with the decrease in tensions between the western world and China, it seems to me this is a golden opportunity for us to move quickly. I have no doubt that our friends south of the border, being great businessmen above all else, are going to be moving quite rapidly. Because of the fact that our federal marketing program in agriculture has been rather slow, to put it mildly, I'm just wondering whether we shouldn't place more emphasis on getting into the Chinese market, than perhaps we might otherwise consider.

DR. HORNER:

Well, I agree that we have to, and we have already been doing some work in the Chinese area with my colleague, the Minister of Industry. As the hon. member may be aware, there is a Canadian Trade Fair in Peking in August which the federal government is sponsoring. We as a province, are going to have some input into that, both from the agricultural as well as the industrial side. We think there have to be markets for food in a country with that kind of population. We already know, of course, of the grain sales we have been able to make to that country.

This applies to the entire Pacific Rim. At the same time, I think that at least one of these people has to be assigned to the European economic community because there are marketing opportunities there as well that we should not overlook.

MR. NOTLEY:

I have a question, Mr. Chairman, and I say this, not in any effort to embarrass the government. I raised this in the question period several weeks ago to the hon. Premier, in respect to developing the Chinese market. It seems to me that we should consult with Dr. Chester Ronning. He is, perhaps, the most renowned expert on China anywhere in North America, let alone Canada. It would seem to me that in view of the urgency and the importance of developing this market, it would be extremely prudent to get hold of Dr. Ronning and try to get his advice at all levels of our efforts.

DR. HORNER:

Yes, that is in fact, what the hon. Premier intimated, that he in fact, would do that. We will be having discussions with Mr. Hargreaves along those lines, and we will be looking at the whole area of being able to make the contacts at the initial point in the export trade. What we were talking about in some of the votes preceeding this was that once you have the contacts, once you know

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the market is there, how do you apply that market? We think all these areas have to be dealt with simultaneously.

MR. TAYLOR:

Mr. Chairman, with reference to the first item, what type of entertainment are you recommending to the commissioners?

DR. HORNER:

I would not be recommending what kind of entertainment. But I think it is rather important that we have some basic knowledge of the culture and the way business is done in these areas so our entertainment -- and I guess that is the general heading -- is in tune with the culture and the ways of doing business in these countries. I think that becomes very important.

MR. SCHMID:

Mr. Chairman, a bit more information with regard to the question of the hon. Member for Spirit River-Fairview. There were two Chinese delegations in Edmonton and excellent contacts have already been made regarding export of goods from Alberta through their presence here and their office in Ottawa.

MR. TAYLOR:

What about their entertainment, Mr. Minister?

MR. SCHMID:

Over the years I have been in Canton and in Taiwan, I can advise anyone who would like to know what it is all about.

MR. CHAIRMAN:

Does that answer you, Mr. Taylor?

MR. TAYLOR:

Yes.

MR. RUSTE:

Mr. Chairman, the hon. minister outlined the contacts with the federal trade offices under the federal government. I understand he is working closely with the Saskatchewan-Manitoba governments as well in a co-operative effort in their field. There is another matter, too that I would like to raise. It is the \$10 million that the federal government has set aside, and while that is mainly in the grains field, can we anticipate getting a share of that for Alberta, and coupled with that, working together with the other prairie provinces in this whole field, as well, so we don't get a duplication?

DR. HORNER:

Yes, we have had some discussions with the province of Saskatchewan particularly, where they are very interested in working with us in this area. We are certainly willing to do that. As a matter of fact, we have given some consideration to, perhaps, a four-province council of some kind, in which British Columbia, Alberta, Saskatchewan, and Manitoba might be involved in some sort of co-ordination of their efforts in this area. We are having a little bit of a problem in developing the kind of contact that we would like to have with the province of British Columbia. However, I think if we can show them that we can work with the provinces of Saskatchewan and

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Manitoba, perhaps that will alleviate some of their fears and they will be willing to do that.

In relation to the question of the Market Opportunity Fund of Mr. Lang, we have asked him for a part of that action. But so far, we have not got any direct answer. It would appear that he is trying to keep that as a fund to develop the grain marketing situation. However, we intend to follow up our request and see if, in fact, we can't develop a specific program or two that would qualify under the program. We are working on that at the moment.

MR. DIXON:

Mr. Chairman, to the hon. minister, I noticed the hon. Member for Spirit River-Fairview was mentioning Chester Ronning but in Calgary we have one or two Chinese merchants who are importing, into Alberta and Canada, many products from China. About a year and a half ago one of the gentlemen in question referred to the fact that you could probably develop quite a poultry market in Hong Kong if you could get the co-operation of mainland China. He claimed there was a market for poultry but it wasn't possible for you to export it because the trouble is that mainland China would cut off the export of poultry to Hong Kong and you would get into the position of once you start to import it, then they would flood the market again.

Now that the hon. Member for Spirit River-Fairview has pointed out the fact that there is a closer liaison now between mainland China and Canada in particular, I'm wondering if you just wouldn't keep in mind one or two of these gentlemen, I'll even give you the names; and work with our own Alberta people who are in that field and are out there two or three times a year, who would, I'm sure, volunteer their advice and service because they are looking forward to assistance from any government and in particular, of course, the Alberta government where they are located. I just thought I'd bring that point up about the poultry. He felt that there could be a good poultry market established with Hong Kong, providing some sort of agreement could be reached with mainland China. As a matter of fact two or three years ago mainland China was a stumbling block in establishing a market. I'll take it upon myself to get the hon. minister this gentleman's name and his business.

DR. HORNER:

We'd appreciate their names and I'm sure my marketing people would appreciate it. My reading of the Hong Kong market in the poultry industry indicates that the problem there is that it is a specialty market and what in fact they are looking for at the moment are hens' feet because they use them in a specialty concoction that they eat.

MR. CLARK:

Mr. Chairman, I have several questions -- one is that I assume that the commissioners are going to be assigned to areas, is that correct? -- rather than to commodity areas or to commodity responsibilities? Then secondly, that being the case, how do the commodity groups and the marketing boards really fit in with working with the commissioners?

DR. HORNER:

There may be a combination of the two things that the member has talked about. In other words, specializing in a certain area, geographically, and also specializing in a certain area commodity-wise. In other words, I think we can have some flexibility. I think the important thing is that we not only have to have the export trade commissioners, but we have to have the commodity officers as we've already thought about, to have the input at the local level to tie in

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all together, because we just can't be making the contacts in the export field. We have to have some feedback, back to the commodity officers in the domestic field -- that's not the right term -- I want to say, in the commodity area so that we can get the information back in relation to the export market to the commodity groups themselves. We will have people at both ends, and down the road I can see an area in which we might reverse them occasionally so that they both have input in relation to what we can produce, what kind of quality it is, can we meet the market out there? this kind of thing.

MR. WILSON:

I was interested to know just how these new trade commissioners would be chosen and whether preference would be given to Albertans or whether the qualifications of the individual would be uppermost and if you might, in fact, hire foreigners to fill these spots? Just what would be the criteria for hiring these people?

DR. HOFNER:

Much as I would like to give preference to Albertans, and we certainly will, I would think that one of the criteria would have to be that he has to be knowledgeable about the production ability and quality of Alberta agriculture. Whether or not he comes from here, or what his basis is, I don't think that as commissioners themselves we will be hiring people who are citizens of another country, because I think this job is bigger than that. He is representing Alberta and our country when he is there, and therefore, has to be a Canadian citizen, is first of all, and preferably a resident of Alberta. I can assure the hon. member that the people we have in mind for these positions have to meet some pretty high standards in that relationship, and we're talking about people of a calibre similar to Mr. Hargreaves and people like David Durksen who did all the preliminary work for the Federal Grain on the specialty contracts -- these kinds of people that I think can make a major impact in there.

Appropriation 1156 total agreed to \$ 290,210

Appropriation 1160 - Extension - Administration

MR. RUSTE:

On this one I notice that there is an addition of two, two, one, and so on in each of the districts, and possibly in an effort to save time, the hon. minister would just outline basically what the purpose of these added staff members is. I think the administration end of it is basically the same, but it's the additions to the district offices.

DR. HORNER:

As I said initially, our view of extension is that we have to maintain the kitchen table diplomacy -- for lack of better explanation of it -- but they had to be involved at the local level, and that we were not concerned with centralizing these facilities. We followed that up, then, in each of the regions and a major impact in the Calgary office is an additional home economist. There is an additional home economist in the Red Deer region, an additional home economist in the Vermilion region, the Edmonton area, and in the Fairview region. These are all additional home economists to the ones that we now have, because of the expanded role that we see these girls playing, making full use of the resources that they have. I have really been impressed by their ability to do things, and I don't think we have used them nearly enough in the past. They have some input that they can make, not only in the family farm development section, but in our marketing section as well.

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When we talk about the domestic market, surely there are no people that should be more knowledgeable in the domestic market and how we can use our own products here at home, than our home economists. It seems to me that we shouldn't be ignoring them and that we should be expanding their role, and that's exactly what we intend to do. That's one of the primary expansions in the area, in the home economists' staff area, and as we get down, you'll find that there's a major expansion in the home economists in the urban areas. This is a deliberate attempt on the part of agriculture to make some impact in the urban areas in relation to the foods that we produce in Alberta, and to try and improve the communications between the rural people and the urban people in relation to the very basic industry of agriculture. There is one additional agrolcgist in the Lethbridge region, meeting a very growing demand there in relation to specialty crops particularly.

As I said if I would go on right to 1168, the consumer advisory services is a major expansion in the home economists' facilities, and we intend to have a supervisor and a number of urban home economists in each of our metropolitan areas. They will be charged pretty specifically with a major role in in the domestic marketing situation and, as well, in the export market trade. I recall the very fine luncheon that the home economists in the department put on for visiting Japanese delegations, using Alberta foods but cooked in a Japanese way, and I think that this kind of direction is the way we want to go in really promoting our area in the export area. I think they have a major role in the domestic market situation as well.

Agreed to without debate:

<u>Appropriation 1161</u>	Lethbridge Region	\$ 378,535
<u>Appropriation 1162</u>	Calgary Region	\$ 303,025
<u>Appropriation 1164</u>	Red Deer Region	\$ 332,835
<u>Appropriation 1165</u>	Vermilion Region	\$ 409,505
<u>Appropriation 1166</u>	Edmonton Region	\$ 359,995
<u>Appropriation 1167</u>	Fairview Region	\$ 338,645
<u>Appropriation 1168</u>	Consumer Advisory Services	\$ 139,070
<u>Appropriation 1169</u>	Rural Development	

MR. CLARK:

Mr. Chairman, this is the appropriation for the hon. Minister without Portfolio, I presume. I don't think it would be asking too much, either from the hon. minister or from someone, for some outline of the responsibilities and some indication of what we can expect to see in this area next year.

DR. HORNER:

I agree. Essentially, as it is noted here, this is a new appropriation, it is not extremely large at the moment because we are developing programs. The major responsibility of the Minister without Portfolio in charge of Rural Development is to looking into the area, at the moment, of programs which will, in fact, enhance rural development and these scan the entire spectrum from the question of improved agricultural facilities and agriculture income to the question, on the other end, of rural industry. His major time has been spent in the last several months in relation to the question of rural utilities -- and we would hope that in the near future we can be developing and put before the House policies in relation to the question of rural electrical power. That, in addition to the entire usage of both the Agricultural Development Fund and the Rural Industrial Opportunities Fund is of some importance of course, to rural development.

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There has been a segment in the old Human Resources Advisory Council -- not advisory council but HRDA -- at which they have had some people who have been working in this area. It is our hope that later on part of that section of rural development would, in fact, come back under Agriculture under this particular vote in the future, not necessarily the old ARDA program insomuch as that is more particularly under the new ARDA program which deals with a number of areas in relation to forage and land rehabilitation and land consolidation. This is all part of rural development, of course, but -- I am thinking more of the work that ARDA has done indirectly in the question of rural development under people like Paul Stelneschuk and certain other individuals there who we hope will be coming to the department under rural development.

Appropriation 1169 total agreed to \$ 43,170

Agreed to without debate:

Appropriation 1170 Family Farm Development-Administration \$ 58,730

Appropriation 1171 Rural Credit

MR. NOTLEY:

Question, on dairy loans, to the hon. minister. Again it relates to my constituency. When will the regulations be out to the financial institutions on the dairy loans?

DR. HOFNER:

Just as soon as they are available.

MR. CHAIRMAN:

Mr. Ruste, you had a question?

MR. RUSTE:

Supplementary question to that -- could he make those available to the members of the Assembly?

DR. HORNER:

Yes.

MR. RUSTE:

On that -- I take this as along the lines again of the livestock loans -- is that covered in this area?

DR. HORNER:

Yes.

MR. RUSTE:

I was just wondering whether the hon. minister would want to comment on the expansion of that to further areas of the province. As he and the hon. members are aware it started out as a pilot project in the Peace River country and has been expanding and certainly there is an interest by many of the producers in being able to get this in other parts of the province as well.

DR. HORNER:

I think there are some other changes that are required. As I said earlier in the House, I talked to some of the hon. members in whose constituencies the loans don't apply in the beef cattle area,

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and I'd appreciate their advice in relation to whether or not it should be expanded to a province-wide situation. We have already expanded it as far as dairy cattle are concerned to all of the province. Sheep, of course, are for all of the province. We are working on separating cattle from sheep so that we can have an individual program for the sheep industry, rather than sort of tying it into the cattle thing. We would hope that part of the loan that would be available in the sheep industry might be available for rams -- buildings, and fencing as well.

So really the only area that isn't covered is the question of the extension for loans for beef cattle to the central and southern parts of the province. If I could get some consensus of opinion from that area in relation to whether or not -- and I say very frankly that the Western Stock Growers and the Alberta Cattle Commission are hesitant to recommend the extension. I'm quite willing, and as the hon. Member for Olds-Didsbury has made representation with regard to part of his area that is in the greywooded soil area that's not now covered, we'll certainly consider covering that area because I believe that's a developing area as well, and I think that's logical. Again I ask for the consensus from members in that area in relation to extending the beef program to the whole province.

MR. BUCKWELL:

Mr. Minister, could a farmer have a loan for cattle and sheep, provided it wasn't for more than the maximum?

DR. HORNER:

Yes.

MR. BUCKWELL:

He could get both, could he?

DR. HORNER:

This is one of the areas in which I think it would be worthwhile. I think that the local financial institutions in the area will be able to judge whether or not he can handle that operation.

MR. DRAIN:

Mr. Chairman, I could foresee very limited use of this type of assistance in my particular area because farm consolidation has been done many years back down the road. Nevertheless there are young farmers and I would say that it would not represent, insofar as the particular area that I represent, any vast capital outlay on the part of this particular agency, but nevertheless, it would be very comforting to know that the particular area was also covered.

DR. HORNER:

The idea that the hon. member suggests is one that we are considering and that is, in fact, to extend it to an age group. But I hesitate to do that in relation to the rest of the province. In my view, we have a responsibility not only to make sure of course that we don't get into a surplus position, but we also have the responsibility to make sure that we maintain our share of the production of beef in Canada and in North America.

MR. HARLE:

Mr. Chairman, on this subject, is there a definite policy of the provincial government with regard to the marginal farmer? I can think of the programs over the last few years where the effort has

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been made to eliminate the marginal farmer and in fact encourage him and make it easier for him to move off the farm. This particular appropriation apparently is to assist the marginal farmer to stay there and is this a major change in what has, I think, been in the past, agricultural policy?

DR. HOFNER:

Yes, I think so. We're concerned that these people should have an opportunity to develop, rather than to adjust them out and I want to make it very clear that, as far as I'm concerned, the word adjustment, as it applies to rural Alberta is a "no no", and anybody who wants not to get anything out of the Department of Agriculture is to use that word. We believe in development, we believe that the marginal farm should have the opportunity to develop. I would say we feel that our Farm Development Act, when it comes in, will look after that in a major way and that loans might be available then in that area throughout the province to the small farmer to help him develop, and down the road, having regard to the outlook for beef cattle and so on, we're planning to expand that in other areas as well.

MR. BUCKWELL:

Mr. Chairman, I would like to ask a question of the hon. minister. Your definition of a marginal farmer -- are you going by, say, his net worth, anybody of less than \$20,000 net worth -- or gross income of say, less than \$5,000? A lot of these programs that we are talking about, if there are loans available, I hate to see the money absorbed by those who didn't really need it, or had other means of credit. And then to the ones that do need it, we'll say, "I'm sorry there are no more funds."

DR. HORNER:

I don't think there should be any strict definition at the bottom end -- if you like -- but I do say that there should be a limit at the top. In that way we can help those people that do require it.

MR. NOTLEY:

Mr. Chairman, he partly answered my question, but I wonder if the government is a little more specific in terms of putting some sort of limit at the top? One of the problems I think you have is that many of your marginal operators find it almost impossible to get money from the bank. In my constituency, for example, you have a lot of homesteaders, and when they go to the bank, of course, the bank manager just looks in the opposite direction. Yet, there is a problem too, of financial security, but yet somehow we have to draw a line between the balance sheet approach on one hand, and the willingness and ability and drive of the individual farmer who wants to do something and show initiative and innovation and so on. I realize this is very difficult, it is one of the most perplexing aspects of rural credit. I think that it is something we are going to have to try and solve.

DR. HORNER:

I agree with the hon. member and I think that perhaps one of the ways we can help to solve it is by making full use of agricultural development committees of local people. They are better able to assess, sometimes, that kind of situation than anybody else. I agree that this is the kind of thing -- and I would hope that our agricultural development programs will be available to all, including the homesteaders, and in some cases -- particularly the homesteader, to allow him to develop his holdings to the state where he can have a reasonable income from those holdings. I go back to that objective as the primary thing in the whole area of credit.

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MR. RUSTE:

Mr. Chairman, I sensed in the remarks from the hon. Member for Stettler, sir, a sinister plot had been in effect before, to get rid of the small operator. I can assure him there wasn't. I think the vagaries of the weather and the economic conditions probably had something to do with that. I would suggest that, to take an example in the Province of Alberta, the feeder associations that have operated for several years -- and when you look at those and the losses, there has been very little lost in those associations in loans. And I submit that this was properly administered to be much the same. As it relates to the limit at the top, certainly those that are in the upper brackets -- the larger operators -- usually they don't have that much trouble in getting money, when they can get the banks, the credit unions and many others that are literally today sending out brochures asking for loans. I think that an orderly expansion in the livestock industry, as has been done now progressively as you move down, is in order. I think that the main thing that I would be concerned with as a producer, is that it expands too quickly where you get your price of your breeding stock getting out of line. Certainly if you do that, then you are into difficulties.

One other thing I would like to mention in the rural credit, and that is in the -- I had a discussion with one today who made an application for a loan under the Farm Purchase Credit Act, and the story that I got back from him was that they weren't looking at these loans at the time. They are trying to funnel them through the Farm Credit Corporation and in my thinking, unless the Farm Credit Corporation is changing its attitudes, they are looking at bigger units than the Farm Purchase Credit Act ever looked at. I would certainly hope that the hon. minister would look at this to see that the smaller operators -- those that really need the money -- will have it made available through a vehicle such as the Farm Purchase Credit Act.

DR. HORNER:

Well, Mr. Chairman, I can understand the hon. member continually trying to explain away what the previous government did in this area. Again I say that we are dedicated to the proposition that the credit that we make available will be for the smaller farmer and the middle farmer to expand so that he has a reasonable income. We are concerned about some of the activities of the Farm Credit Corporation, as I have said before, in relation to their impact in agricultural industry in the province, and that it should at least be co-ordinated in regard to where we are going and how we are going to get there. I think it has some effect on the commodity groups. It has some effect certainly on the amount of product that is available.

The question of surpluses and so on sometimes can be directly related to the lending policies of the Farm Credit Corporation. For those reasons -- and I think this applies to all provinces in Canada -- they made some pretty serious representations to the minister in this area. I can assure you that we intend to use this in a way to assist in the preservation of the family farm and to develop the operator who hasn't had that assistance in the past.

MR. CLARK

I'd like to ask the hon. minister a question, and this may not be exactly the right place, but the hour is late and the question is short, and I trust the minister will answer it. On the matter of the Grains Commission, the hon. minister will recall that there was some comment, both inside the House and outside the House, with regard to the make-up of the commission, and I'm not going to get involved in that argument again. The minister, in the course of the Estimates -- I think last Thursday night -- made a point of saying that he thought

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there was some advantage in not having people who were representatives from various farm groups or commodity groups on the Grains Commission, because of the fact they had to view the operational thing and the organizations couldn't make representation. I kind of understand that approach, at least I thought I did, until I remembered the Wool Commission, which was established not very long ago. At that time the government, as I understood the minister's announcement, went to some lengths to point out that you'd gotten representation and people had been recommended to you from the sheep industry.

DR. HORNER:

Public industry.

MR. CLARK:

Right. Now what I'm asking you is, to me the two positions aren't really compatible.

DR. HORNER:

Well, the Wool and Sheep Commission was set up under the Agricultural Products Marketing Act which sets out the procedure in relation to setting up the Sheep Council, and in fact the nominations are made by the producers and then the minister selects the nominees and appoints them.

MR. CLARK:

Are you giving serious consideration to changing the legislation? That would rather reconcile the approach towards representation to the commission in keeping with your comments on the Grains Commission.

DR. HORNER:

No, not at the present time, Mr. Chairman, because there is a difference. If I might say to my hon. friend, the sheep industry is a specialized area in which only a certain number of producers are involved and they are involved just with the sheep industry. I think the Grains Commission is a far broader thing, and again I point out that I think that the farm organizations will be able to have far greater input into that commission and their activities by dealing with them on an organizational to organizational basis, rather than having an individual member on the commission.

MR. STROM:

Mr. Chairman, the minister referred to the federal loaning group. Have there been discussions with the Farm Credit group?

DR. HORNER:

Yes.

MR. STROM:

And, then, would the minister care to outline for us what arrangements have been arrived at between the two groups?

DR. HORNER:

Well, as the hon. Leader might have appreciated, one of the blocks in the provincial ministers' agreeing to the federal program wholeheartedly was that they couldn't get agreement with the federal government in relation to the input into the policies of the Farm Credit Corporation in the various provinces. We are continuing to

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explore that avenue in relation to whether or not we can't have -- We are quite willing to make a counter proposal allowing them to have representation on our development fund, if we can have representation on their loan policy within Alberta.

MR. STROM:

Mr. Chairman, is the minister suggesting that the Farm Credit Corporation or the federal government would maybe make funds available that would be dispersed by the provincial government?

DR. HOENER:

Well, it hasn't gone that far, of course, even though most provincial governments would like it to. But we're quite willing to stop short of it, if we can have some input into their loaning policy. They, of course, are going to be the major agent that the federal minister is going to use in his small farm plan in relation to land consolidation, and so on. And as much as we might like to have some control over the amount of money that's loaned and how it is loaned, if we could have some input we'd appreciate that for a start.

MR. NOTLEY:

Mr. Chairman, I wonder if the minister has any idea and could advise the House how many foreclosures there are, vis-a-vis the federal Farm Credit, and whether there are any pending foreclosures by the Farm Purchase Board?

DR. HORNER:

There are very minimal ones from the Farm Purchase Board, and I only signed them under extreme duress. There are too many under the Farm Credit Corporation and that is a matter for discussion which I have made arrangements for with the head people of the Farm Credit Corporation.

MR. STROM:

Mr. Chairman, the hon. minister has made reference several times to credit being supplied on the basis of a cash flow which would take care of the indebtedness. Who makes the decision as to whether or not the cash flow would be adequate? Would it be a local administrative board or would it be the departmental people?

DR. HORNER:

I would hope that it would be a local administrative board, an expansion of the present advisory committees, with departmental input from our people who are involved in extension, involved in production, involved in marketing, and involved in farm financing generally. In other words, we would not only have the local people involved, but we would have some input from the professionals in the field.

MR. STROM:

Mr. Chairman, I am sure the hon. minister appreciates that there are a number of farmers in the province who may have been operating on marginal operations. Yet, their sons who have worked with them and understand the operation, are quite capable, I'm sure, to take over that operation and to continue to make it a viable unit. Yet by every yardstick that our own departments would measure it by, they should not be able to make a go of it. I am wondering how the hon. minister proposes to deal with situations such as that, because they have been a matter of concern to me for a number of years.

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DP. HORNER:

Well, I think if you change your philosophy in relation to how you allocate farm credit, from an equity position to a question of a cash flow position, that this takes care of some. You have to do a number of things. Like a lot of problems, you can't solve them with just one. I think a continuing and expanded use of local advisory committees with educational input if necessary in relation to our manpower courses, in relation to the apprentice program, if we can get it off the ground. These kinds of things will help us to get the young person on a marginal thing into a viable operation. It is not going to be easy in some cases, but we intend to try.

MR. RUSTE:

I would like to have the hon. minister give his definition of the family farm. I know it has been bandied around.

DR. HORNER:

It is a farm operated by a family. Period.

Appropriation 1171 total agreed to \$428,590

Appropriation 1172 Farm Consolidation

MR. RUSTE:

Mr. Chairman, on this. I notice there is going to be establishment of additional farm development committees. Would the hon. minister outline where these will be?

DR. HORNER:

We would hope to expand the farm development committee and amalgamate them with the advisory committees in relation to the Farm Purchase Board on a total operation throughout the province eventually.

Appropriation 1172 total agreed to \$ 86,480

DR. HORNER:

Mr. Chairman, I would propose the committee adjourn, that the committee rise and report progress.

MR. CHAIRMAN:

It has been moved by the hon. minister that the committee adjourn. Is it agreed?

HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

As we are waiting for the Speaker, I wanted to announce that the best actor was Gene Hackman, the best actress was Jane Fonda and the best picture, I gather, was a bilingual picture, The French Connection.

[Mr. Diachuk left the Chair.]

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[Mr. Speaker in the Chair.]

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MR. DIACHUK:

Mr. Speaker, the Committee of Supply has considered certain estimates, reports progress, and begs leave to sit again.

MR. SPEAKER:

Does the House agree with the report and grant leave to sit again?

HON. MEMBERS:

Agreed.

MR. MINIELY:

Mr. Speaker, I move that the House do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

The hon. Provincial Treasurer moves that the House adjourn until tomorrow afternoon at 2:30 o'clock. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30.

[The House rose at 11:17 p.m.]

