

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, March 29, 1976 2:30 p.m.**

[The House met at 2:30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 32****The Department of Advanced
Education and Manpower Amendment Act, 1976**

DR. HOHOL: Mr. Speaker, I wish to introduce Bill No. 32, The Department of Advanced Education and Manpower Amendment Act, 1976. Four or five principles attend upon this amendment, Mr. Speaker, and I should like to outline them briefly.

The first one, in a clause usual to all departmental statutes but missing in the present one, permits the minister to delegate authority and responsibility to employees of the department. The second principle involves the operation of advanced education programs outside institutional settings. Non-institutional programs include further education and vocational training. These are not currently covered in legislation. Thirdly, sir, the amendments involve the principle of description of specific types of institutions to the more general "provincially administered institution". This section has to do with the definition of terms involved in the institutions of advanced education, and was necessitated by the creation of a regional college known as Lakeland College. It is regional and is not currently covered in the definitions of institutions. It will also apply to Keyano College. The fourth principle, Mr. Speaker, provides for a postsecondary education fund, and we'll speak more of it during the estimates of my department.

Finally, there is a new section in the department which provides that the minister, on behalf of the province, deal with such matters as is proper and reasonable for provinces to deal with in the areas of immigration and demography.

[Leave granted; Bill 32 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. DIACHUK: Mr. Speaker, I wish to take this opportunity to introduce several guests seated in your gallery. Over the past weekend, a conference was held at the Ukrainian Youth Unity Centre, consisting of delegates from western Canadian provinces. Attending this conference were members of the executive from Toronto. This was a conference for the liberation of the Ukraine. I am pleased to present to the members of this Assembly, through you, Mr.

Speaker, the national president, Mr. Wasyl Bezchlibnyk; the national vice-president, Mrs. Irene Stachiw; a general secretary, Mr. Wasyl Diduck; and the past president of the Edmonton branch, Dr. Wasyl Hyrak. I would ask that the members of the Assembly give them the usual welcome.

head: **TABLING RETURNS AND REPORTS**

MR. YURKO: Mr. Speaker, I would like to file with the House one copy of two reports done for the Department of Housing and Public Works on the impact of the environmental centre at Vegreville on the town itself.

DR. HORNER: Mr. Speaker, I'd like to file Motion for a Return 125, asked for by the Legislature.

head: **ORAL QUESTION PERIOD****Rapeseed Industry**

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Minister of Agriculture and ask if he's in a position today to indicate to the Assembly the present status of the rapeseed plant at Fort Saskatchewan.

MR. MOORE: Mr. Speaker, I have nothing further to add, other than what was contained in news releases about a week ago by Alberta Food Products.

MR. CLARK: Mr. Speaker, could I then direct a supplementary question to the minister and ask if he's had discussions with officials of the plant under construction at Fort Saskatchewan with regard to potential problems as far as freight rates are concerned. Is the minister in a position to indicate to the Assembly that it's with regard to a possible doubling of the freight rates that in fact the decision has been made to stop?

MR. MOORE: Mr. Speaker, I've had some discussions with the principals of that plant, and others as well. But I really think the question is of a nature that should be referred to the Minister of Transportation.

DR. HORNER: Mr. Speaker, just to bring the Legislature up to date with regard to the rapeseed case, which as hon. members may recall started in 1970 when the three provinces jointly made an intervention [to] the CTC relative to the rates for rapeseed meal and rapeseed oil, it has subsequently gone through a variety of hearings and other legal procedures, and has been on the doorstep of the federal cabinet for the past three years.

We have been attempting — and I say we, the three western provinces that have been particularly involved, and indeed need to be — to resolve the matter with the present Minister of Transport in Ottawa. At a meeting in Edmonton some three to four weeks ago, he assured us we would have the final consultative process and that the new order would be forthcoming. He also gave his assurance at that time that any rate would apply to all plants in

western Canada, whether they were present at the time the original submission started or were new plants coming on stream.

I can appreciate the one in Fort Saskatchewan wanting to delay until the matter has been clarified. We're hopeful it will be within a matter of weeks. I say that, knowing the federal minister told me that some weeks ago. However, I can assure the House this is a matter that's currently back and forth between our office and the federal Minister of Transport. We're hopefully awaiting the latest cost figures he promised to supply, so we can, with some intelligence, attack the problem further.

MR. CLARK: Mr. Speaker, a supplementary question then to the Minister of Transportation. Has the minister taken the opportunity to discuss with the federal Minister of Transport the proposed Lever Brothers plant in Ontario and the impact that will have on the rapeseed industry in western Canada?

DR. HORNER: Yes, Mr. Speaker, we've discussed the impact of a variety of these plants that have been located in Ontario. One should recall the history, that when rapeseed went to a substantial level because of the undulating nature of the market, several crushing plants in eastern Canada went under. Since that time, my understanding of the Lever Brothers plant is that it's primarily associated with soya and other vegetable oils that might be brought in from offshore to crush in eastern Canada. That's why the matter becomes even more important for us to deal with on the very highest level.

As a matter of fact, at a meeting last Thursday in Vancouver amongst the western ministers — we are determined to try to resolve the thing in a fair and equitable way, having regard to the rate on seed and the rate on the processed product. If necessary, we'll be referring it to our premiers for their meeting later in the spring, to deal with the Prime Minister.

MR. CLARK: Mr. Speaker, a further supplementary question to the Minister of Transportation. In the course of those discussions with the federal minister, has the Minister of Transportation for Alberta been able to ascertain whether the federal government has proposed to the Lever Brothers plant that the federal government would supply storage facilities adjacent to that plant?

DR. HORNER: That's not my understanding, Mr. Speaker, but we'll certainly follow up on that. If there is any other additional information that might be useful, I hope the hon. leader will make it available to us at the earliest possible moment.

Consumer Credit — Sex Discrimination

MR. CLARK: Mr. Speaker, I wonder if I might direct the second question to the Minister of Consumer and Corporate Affairs. What mechanism is being set up to enforce the newly agreed-upon guidelines set down by the Credit Granters' Association of Alberta which will eliminate sex discrimination in the credit granting field? That's with regard to the announcement from the minister's office just last week.

MR. HARLE: Mr. Speaker, that proposal was made to the department by the credit granters themselves, one that I must say I found appropriate. It is being done by encouraging the members of the Credit Granters' Association to follow those guidelines.

MR. CLARK: Mr. Speaker, might I ask a supplementary question of the minister. What kind of monitoring by the minister's department will go on as far as living up to those guidelines is concerned?

MR. HARLE: Well, Mr. Speaker, we won't be setting up a specific monitoring system. However, we will be interested to find out from members of the public the reaction people get when they feel they are being discriminated against.

MR. CLARK: Mr. Speaker, a further supplementary question. Did the minister take the opportunity to discuss the proposed guidelines with the Human Rights Commission prior to the move in this direction, and was this regarded as a priority area by the Human Rights Commission?

MR. HARLE: As far as I'm aware, Mr. Speaker, there was no contact with the commission. The proposals, as I indicated, came from the credit granters themselves.

Olympics — Game Plan '76

DR. PAPROSKI: Mr. Speaker, a question to the hon. Minister of Recreation, Parks and Wildlife. Would the hon. minister, Mr. Speaker, indicate to the House what Game Plan '76 is, what importance it has to Albertans, and how the government is involved in that Game Plan?

MR. ADAIR: Mr. Speaker, Game Plan '76 is a program that involves the federal government and all the provinces of Canada, working with the Olympic committee relative to the coming Olympics. It's a program that sees that the designation of the various potential athletes for the Canadian team receives some assistance for training programs. The coaches may be involved in that as well.

I think probably the best way to illustrate it is that we've been involved in the program since 1974. We have, to this date, spent approximately \$20,000 in assisting either athletes who may make the Canadian team, or the coaches for those particular teams. I hope that answers the question for the hon. member.

DR. PAPROSKI: Just one supplementary, Mr. Speaker. Is the government considering increased assistance in this regard, in view of the upcoming Olympics?

MR. ADAIR: Yes. I would like to clarify, though — not necessarily in relation to Game Plan '76, but relative to a provincial program that would assist Alberta athletes who may be participating or may be eligible to be members of the Canadian team.

WCB Employee Transfer

MR. LITTLE: Mr. Speaker, I would address this question to the hon. Minister of Labour. Would the

hon. minister be in a position to inform this Legislature of the terms of transfer affecting employees formerly with the Workers' Compensation Board to the new occupational health and safety division in Alberta Labour?

MR. CRAWFORD: Mr. Speaker, the precise terms of transfer are still pending. I think it would be fair to note that some concern about the transfer has been expressed by some of the employees. They expressed those concerns to me in the form of a letter delivered to my office on Friday. Since then, steps have been taken by senior officials of the department and of the Public Service Commissioner's office to work out whatever concerns remain in regard to the terms of transfer of the employees from the Workers' Compensation Board.

MR. LITTLE: A supplementary, Mr. Speaker. Would the minister therefore be able to assure this House there will be no loss in salary, fringe benefits, or rank?

MR. CRAWFORD: Mr. Speaker, I'm not aware of anything in the discussions that would lead to any of the employees being transferred with less salary or benefits than what they had, although I know that is raised as an issue in the letter. In fairness, I think what should be done is that the people who are attempting to work out those particular difficulties — and nine of them were stated specifically — should have a chance to prepare for that and make some further information available to the House through me.

MR. LITTLE: A final supplementary, Mr. Speaker. Do the employees have a choice as to whether they transfer? Is there a time limit for them to make that election?

MR. CRAWFORD: Mr. Speaker, I'm very glad the hon. member raised the question of time limit, because that was one of the concerns that I think caused the writer of the letter, writing on behalf of a number of employees, to bring it directly to my attention. There's no question that we will be able to take the necessary time to work out the difficulties. The transfer date of April 1 is there. I could give assurance that any arrangements worked out subsequent to April 1 would be effective as of April 1, providing the transfer itself was effective as of April 1. No residual difficulties would be based on the transfer date itself.

MR. TAYLOR: A supplementary to the hon. minister. Since safe working conditions are so important and such a definite part of workers' compensation, what will be the liaison between the new department and the Workers' Compensation Board?

MR. CRAWFORD: Mr. Speaker, the input from the board under the proposed new arrangements will be primarily that of policy. I should point out that the follow-up of one of the recommendations of the Gale commission is involved. It recommended a one-window approach to occupational health and safety in the province. One of the consequences of that is, the people who are employed at the present time by the

Workers' Compensation Board will be merged with the Department of Labour's new division of occupational health and safety. So the liaison with the board will be on the expertise, you might say, of the commissioners and others at the board who would like to provide input in that way. The actual administration will be merged.

Cow-Calf Stabilization Plan

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Agriculture and ask if he can advise the Assembly whether the Government of Alberta has received any information concerning the imminent announcement by Ottawa of a federal cow-calf stabilization plan.

MR. MOORE: Mr. Speaker, no. As of today, we've not received any information further to that which I provided the House several weeks ago, to the effect that the federal minister, Mr. Whelan, has apparently not yet made any decision on what level of assistance might be forthcoming or when the program would be announced.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the Government of Alberta received any information yet with respect to the proposition of cost sharing between the federal government and the provinces?

MR. MOORE: Mr. Speaker, not directly to my office, although there were several discussions between officials of the Alberta Department of Agriculture and the federal department, with respect to our offer of cost sharing a national stabilization program for the cow-calf industry.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to tell the House what the response was of the federal government, with respect to the cost-sharing proposal? Do the federal minister and the federal government look with favor upon this, or are they just taking a hands-off attitude?

MR. MOORE: Mr. Speaker, the general conclusion or at least the discussions that occurred after that proposal was put forward were of a nature that it was a program that would have to be cost shared by all provincial governments which would be involved in a national program of cow-calf stabilization. My understanding, at least, was that it was difficult for the federal government to come to a conclusion when you consider the variety of provincial programs put in place during recent months, namely in British Columbia, Manitoba, Ontario, and Quebec.

As far as any final conclusion on cost sharing was concerned, we simply do not have one yet. We're still pursuing that matter at the officials' level. My understanding, as well, is that Ottawa considers that the Agriculture Stabilization Act itself, as amended in 1975, did not provide for a method of cost sharing. But it was our expectation that, insofar as the act was concerned, some type of agreement on cost sharing could have resolved that problem.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has there at this stage been any discussion among the officials of both federal and provincial governments concerning possible retroactivity within the plan?

MR. MOORE: The question of retroactivity to cover the 1975 period was discussed at meetings in Ottawa between me and other ministers. I was led to believe, at that time and in later conversations, that it would be very difficult indeed to get the Government of Canada to agree to any retroactivity to cover 1975. Rather, we would be doing well if we got their agreement to provide funds to implement a meaningful program in the 1976 calendar year.

MR. NOTLEY: Mr. Speaker, one final supplementary question for clarification. Do I take it then, from the hon. minister's answer, that the Government of Alberta has not received either officially or unofficially any suggestion, rumor, or otherwise that the federal minister will make an announcement toward the end of this week on a national cow-calf stabilization plan?

MR. MOORE: Mr. Speaker, we've been expecting that announcement since about October 1975. I've said on a number of occasions that we expected it within a week or two. I'm getting a little shy of saying that now, but I'm very hopeful that our colleagues across the country in the various provinces will be favored very soon by an announcement from Ottawa.

In spite of the fact that the major portion of our cattle sales occur in the fall of the year, it's still important for producers to know early this year where they stand insofar as a stabilization level for the current year is concerned.

Keith Latta Case

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Attorney General. I'd like to know if the Attorney General is in a position to inform the Legislature what the status is of the Keith Latta appeal for a new trial.

MR. FOSTER: Mr. Speaker, the province of Alberta is not proposing any particular course of action. In short, we'll be taking no action with respect to the Latta case. We have been asked to look at certain evidence. We have expressed an opinion to the federal government. We are not taking any particular action. The federal government has not yet responded to us. It may be that it may embark upon a certain course of action. I think it's inappropriate for me to comment on what that course of action might be or when it might come.

Credit Granting Violations

MR. MUSGREAVE: Mr. Speaker, I'd like to address my question to the hon. Minister of Consumer and Corporate Affairs. I would like to know if he could advise the House if any charges were laid under the act as a result of audits performed on credit granters in 1975 by his department.

MR. HARLE: I'd like to thank the hon. member for asking me that question last week to enable me to make some enquiries. No charges were laid in 1975. I might point out that virtually all the violations reported in the report of the supervisor of consumer credit were of a minor and technical nature. The supervisor indicated to me that he has had good success in achieving compliance with the act once violations of this nature were pointed out to the credit granting industry.

MR. MUSGREAVE: Supplementary, Mr. Speaker. Could the minister advise the House if the size of the credit granting operations has anything to do with whether or not he lays charges?

MR. HARLE: No, Mr. Speaker, that would not be a consideration. The consideration would be whether there is compliance with the act.

MR. MUSGREAVE: A final supplementary, Mr. Speaker. What I'm a little concerned about is if the organization granting credit, particularly if it's a new one, could say it was a technical violation rather than outright intent to break the law.

MR. HARLE: Mr. Speaker, the supervisor determines whether there is a violation. If it is of a technical nature and this is pointed out to the credit granting institution, an agreement is entered into which, in most instances, is a case of repayment to a consumer. An agreement is entered into with the institution to stop the practice and to repay consumers who have been affected. If it's of a fraudulent nature the matter is, of course, referred to the Attorney General.

Influenza Vaccine

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Have any cases of the 1918 flu been reported in Alberta?

MISS HUNLEY: No, Mr. Speaker, there are none. To my knowledge, there are none even in Canada. Our action is entirely a preventive and precautionary measure.

MR. TAYLOR: A supplementary. Does the hon. minister have any indication when the vaccine that has been ordered will be delivered to Alberta?

MISS HUNLEY: I'm sorry, Mr. Speaker. I didn't catch the last few words of the hon. member's question.

MR. TAYLOR: Has the hon. minister any idea when the vaccine that has apparently been ordered will be delivered to Alberta?

MISS HUNLEY: No, Mr. Speaker, I do not. We didn't anticipate a need for it until September to November, so there was no immediate need for the vaccine. But there was an immediate need to order it, so that we might have a supply for our citizens when and if the need arose.

DR. BUCK: Supplementary to the hon. minister. Can the minister indicate if all people will be vaccinated? What is the priority? Can the minister give us a breakdown?

MISS HUNLEY: Mr. Speaker, the details for administering the vaccine will be worked out. We'll be taking the advice of the Canadian committee on immunization and of officials in my department who deal with communicable diseases, as well as the recommendations of the board of public health.

Foothills Hospital Dismissal

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Minister of Hospitals and Medical Care. I had several calls over the weekend inquiring whether any progress has been made with regard to Dr. Abouna and the Calgary Foothills Hospital.

MR. MINIELY: Mr. Speaker, I think I have indicated two or three times in the House that I did not feel it was appropriate for me, as the minister, to become involved in a matter which surrounded the individual medical privileges of any member of the profession practising in a hospital in Alberta. That is a matter for the board of the Foothills Hospital. As far as I'm concerned, it must remain a matter for the board of the Foothills Hospital.

Vermilion River Study

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the hon. Minister of the Environment. Could the minister advise whether a study has been completed on the Vermilion River? If so, do the recommendations assure that there will not be a recurrence of flooding of the Vermilion River?

MR. RUSSELL: Mr. Speaker, such a study was commissioned several months ago. I know the Vermilion Health Unit has been anxious to get the results. We expected to have it at the end of the year, and I told the health unit that. We still haven't got it. I expect it virtually any minute. As soon as we have had a chance to assess it, we'll make the information available to all interested local organizations.

Home Improvement Program

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Is the minister in a position to indicate when Phase II of the senior citizens home improvement program will come into effect?

MR. YURKO: Mr. Speaker, I believe when I last spoke on this subject I indicated that Phase II would be given serious consideration after we had had an extensive amount of experience with Phase I.

As I indicated to the House recently by virtue of a news release, Phase I is well on its way. It will be some time before we have enough experience with Phase I to be able to define the parameters for Phase II. So at this particular time I have no information to

give as to when Phase II might come into being, or what the parameters of Phase IIS will be.

DR. BUCK: How about February '79?

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister give the reason that credit unions are not able to be involved in SCHIP as treasury branches and chartered banks are?

MR. YURKO: Mr. Speaker, initially the credit unions were offered the opportunity to participate in the project. But they declined, and subsequently made reapplication indicating they wanted to be in on the program. There were at least two technical matters that had to be solved. I'm pleased to suggest these have been solved and the credit unions will, in fact, participate in the program at the earliest opportunity. I anticipate it will be within a month or two.

Manpower Mobility

MR. KIDD: Mr. Speaker, I would like to address this question to the hon. Minister of Advanced Education and Manpower. A brief word of explanation is required. We in Canada have been concerned in the past over the so-called brain drain, that is, the loss of our well-trained, top-flight people to other countries.

My question is whether the minister's department monitors the brain drain relative to Alberta, and if he would care to comment on the subject.

DR. HOHOL: Mr. Speaker, in a general way, under the whole notion of demography and the make-up of the nation's population in regions and provinces, we watch the point the hon. Member for Banff makes. In specific terms it would be difficult to do.

I should like to recall in an historical kind of way that some three decades ago, graduates from certain faculties, notably engineering, drafting, management, and so on, had difficulty finding employment in Alberta and western Canada because of the dependence on the primary resource industry in Alberta. That has changed and is changing. To that extent we hope — and not just hope, it's becoming a matter of record — that Albertans, even though in other places like the Pacific coast rim and all the way to New York, are looking to the possibilities of employment and career opportunities in Alberta.

MR. NOTLEY: A supplementary question. Does the hon. minister have any statistics dealing with students in the humanities and social services?

DR. HOHOL: Mr. Speaker, I'm presuming the question is in the context of the original question on the brain drain. No, I don't have specific data, no more than I have in the case of engineers and so on. But the former is more common knowledge.

I would guess the movement in the humanities is as much to eastern Canada as it is to the United States. I think the inference may be that it's more difficult, even now, for people in this area to obtain work in western Canada than it is for people in the hard sciences, in mathematics, engineering, and so on.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Does the minister have any statistics with regard to the medical services area, specifically, to the baccalaureate of nursing? Are we losing some of our graduate nurses to other provinces and the United States?

DR. HOHOL: It would be difficult to say we're losing in absolute terms, because a good number of nurses are coming to Alberta, as my honorable colleague, the Minister of Hospitals and Medical Care, indicated to the House last week. His indication was that nurses moving to Alberta should take a second look because the occupation is filled.

There has been some movement — for example, I recall the manpower studies of nurses about two or three years ago — but not in a significant sense, not in a measurable sense as a researcher would measure significant movement. So some people are moving. Nursing is a somewhat — but not entirely — mobile occupation, particularly if the ladies are single. I think in balance, there would not be a significant difference of movement of nurses into or out of Alberta.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. It's my understanding that a class of nurses will graduate in June with their baccalaureate degrees.

Are any kind of surveys carried out, or is any kind of work done by your department to assist those people in getting employment in Alberta?

DR. HOHOL: Mr. Speaker, I might point out that in a general sense, the data with respect to the total numbers of people within a professional occupation and the movement out of and into it, is by and large the property of that professional group, usually at the level of its association. We don't assist any occupational group in a direct way, but we do assist employers or employees with information, with details of where the jobs are, trying to get employers and employees together. But as a government, we don't do actual placement service.

It's important to note that the numbers, in absolute terms, are pretty well the property of associations. I can also say that employers and associations have been very co-operative and helpful in sharing the information with us as we're trying to project long-term data with respect to manpower developments in the years to come.

Ministers' Meeting

MR. KROEGER: Mr. Speaker, my question is addressed to the Minister of Federal and Intergovernmental Affairs. Is the minister aware of an article that appeared in the *Edmonton Journal* on Saturday, describing a meeting among some government members, including two cabinet ministers, that's to take place early in April?

MR. HYNDMAN: Mr. Speaker, I'm certainly aware of the *Edmonton Journal*. There are customarily a number of articles relating to or suggesting that there are particular meetings going on among ministers and officials in various federal departments, agencies, and branches and various provincial departments,

agencies, and branches. So if the hon. member would be a little more precise in his reference, I might be able to assist him further.

MR. KROEGER: Mr. Speaker, a supplementary. The article I'm referring to is dated Saturday last, March 27. It involves several members of the government, including two cabinet ministers.

Since the meeting is on a plane that involves representation of probably every province in Canada as well as some people from across the line, specifically Wisconsin and Massachusetts, I wonder if the minister would look up the article in question and suggest to the members involved or perhaps this House if any impropriety is implied.

MR. HYNDMAN: Mr. Speaker, certainly to the extent that that relates to matters with regard to the province of Alberta, any other provinces, and the federal government, I'd be happy to follow that up and offer a comment about any alleged impropriety.

Plastic Recycling

MR. TAYLOR: My question is to the hon. Minister of the Environment. Has the government carried out any studies on the recycling of waste plastic?

MR. RUSSELL: No, Mr. Speaker, it hasn't. It's a rather specialized field and a very difficult one, insofar as my understanding is concerned. It's interesting to note that a few months ago a Toronto firm received the North American franchise for a process that did involve reconstituting used plastic articles, and they are going to make fence posts out of them.

Home Improvement Program (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct a supplementary question to the hon. Minister of Housing and Public Works, concerning SCHIP. I wonder if the minister is in a position to advise the House whether, once the agreement is signed with credit unions, senior citizens who have already set up accounts in banks or treasury branches will be able to transfer those accounts to their credit union?

MR. YURKO: Mr. Speaker, at this time I wouldn't wish to indicate exactly the manner in which the treasury branches will be used to handle existing accounts. I would suggest it would involve a great deal of difficulty and cause considerable inconvenience and a great deal of extra work if existing accounts were transferred to the credit unions from the banks or treasury branches they are now related to.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Do I then take it from the minister's answer that the transferability of accounts to credit unions, or back to credit unions for people who deal with credit unions, will not be part of any agreement for credit unions to set up SCHIP?

MR. YURKO: Mr. Speaker, in considering the idea of bringing the credit unions into the senior citizens' home improvement program, the transferability of

existing accounts was not considered to be a high priority. It must be recognized that that is an ongoing program and doesn't terminate in one or two years. So the credit unions felt it was important that they come into the program at the earliest opportunity in relationship to new accounts, rather than the transferring of existing accounts.

It would be our intention at this time to proceed on that basis. However, if there are instances where there is difficulty in continuing to process an account through either an existing treasury branch or recognized bank, we would then give some consideration. But this would not be a blanket decision to do so.

MR. NOTLEY: Mr. Speaker, a further supplementary question for clarification. In light of what would appear to be some flexibility, what procedures will the government follow, and what procedures could individuals follow if they wished to transfer their accounts?

MR. YURKO: Well, Mr. Speaker, the procedures are not complicated. If an individual who has been approved under the senior citizens' home improvement program subsequently writes to the department, to the director of the program, and indicates a considerable amount of difficulty in having his account processed through the bank that he initially selected, we would give some consideration to transfer. But, as I indicated, this practice would tend to be discouraged.

Employment of Former Public Servants

M. LOUGHEED: Mr. Speaker, on Thursday last I was asked a question by the hon. Member for Clover Bar to the following effect:

... in light of the fact that a senior civil servant left government service several months ago and is now setting up a consulting service to inform industry of how to lobby and deal with governments, I'd like to know if the hon. Premier has considered looking into some type of legislation similar to what the federal government is now contemplating in relation to senior civil servants leaving the service and then dealing with the government

I said I would take notice of the question and respond.

Mr. Speaker, in considering this matter further and discussing it with my colleagues, it's our view in government that there should not be restrictions of any significant nature placed upon such activity. We're frankly of the view that there should be a greater degree of movement from the private sector into the public sector and back into the private sector in this province than has been the case in the past, and that the public will benefit by that. We think there needs to be an improved understanding in the public sector of the private sector and vice versa.

We think there should not be any more restrictions than are today placed upon people involved in the public service. If, when they leave the public service, they wish to establish some sort of consulting firm, they should be free, with proper judgment and proper common sense, to deal with the private sector. For that matter, we in government, with our view of choosing the best possible brains and ability available

to us, may call upon such people from time to time — whether they are either currently or were in the past — to assist government in coming to a conclusion on the important policy matters it faces in the future.

MR. NOTLEY: Mr. Speaker, perhaps I could ask a supplementary question of the hon. Premier, in light of his answer to the query of the hon. Member for Clover Bar last week. Will any guidelines be set out for government officials, in terms of dealing with people who are representing firms outside the government but have recently been with the government? In other words, relating it directly to the situation that occurred in Ottawa, will any guidelines be set out for government officials in dealing with contracts or suggestions of contracts, or what have you?

MR. LOUGHEED: Mr. Speaker, these are matters of common sense and good judgment. They'll vary in each particular case. I have full confidence in the senior public service of Alberta in regard to this matter. I'm sure they would judge it accordingly. Certainly, there will be approaches made from time to time, but the best answer to those questions will have to evolve about the particular circumstances.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Third Reading)

Bill 3 The Appropriation (Interim Supply) Act, 1976

MR. LEITCH: Mr. Speaker, I move third reading of Bill 3, The Appropriation (Interim Supply) Act, 1976.

[Motion carried; Bill 3 read a third time]

MR. HYNDMAN: Mr. Speaker, His Honour the Honourable the Lieutenant-Governor will now attend upon the Assembly.

head: ROYAL ASSENT

[His Honour the Lieutenant-Governor entered the House and took his place upon the Throne]

MR. SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sitting, passed a certain bill to which, in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following is the bill to which Your Honour's assent is prayed: Bill 3, The Appropriation (Interim Supply) Act, 1976.

[The Lieutenant-Governor indicated his assent]

CLERK: In Her Majesty's name, His Honour the Honourable the Lieutenant-Governor doth assent to this bill.

[The Lieutenant-Governor left the House]

MR. HYNDMAN: I move that the Speaker do now leave the Chair and the Assembly resolve itself into Committee of Supply to consider the supply to be granted to Her Majesty.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

head: **GOVERNMENT MOTIONS**
(Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order.

MR. HYNDMAN: Mr. Chairman, as the first order of business, I'd like to move a motion setting up the subcommittees for the purpose of reviewing the estimates of eight departments. Copies of the motion have been distributed to members of the opposition. It is to be noted that all six opposition members are on both subcommittees.

I move that the following portions of the *Estimates of Expenditure 1976-77* be referred to subcommittees hereinafter set forth for their reports thereon to the Committee of Supply. Subcommittee A: Energy and Natural Resources; Transportation; Environment; Recreation, Parks and Wildlife. Subcommittee B: Attorney General, Labour, Consumer and Corporate Affairs, Municipal Affairs.

That the membership of the respective committees be as follows: Subcommittee A: Mr. Little (chairman), Messrs. Appleby, Bradley, Buck, Butler, Chambers, Clark, Cookson, Fluker, Jamison, Kidd, Kroeger, Lysons, Mandeville, McCrimmon, Miller, Notley, Planche, Purdy, Shaben, Speaker, Stromberg, Taylor, Thompson, Topolnisky, Young, and Batiuk. Subcommittee B: Dr. Backus (chairman), Messrs. Buck, Clark, Diachuk, Doan, Donnelly, Ghitter, Gogo, King, Kushner, Mandeville, Musgreave, Notley, Paproski, Speaker, Stewart, Taylor, Tesolin, Walker, Webber, and Wolstenholme.

I might mention, Mr. Chairman, that I understand from Mr. Little, the chairman of Subcommittee A, that it will meet in the Carillon Room tonight at 8 o'clock to begin consideration of the estimates of the Department of Energy and Natural Resources. Subcommittee B, chaired by Dr. Backus, will meet in Room 312 to begin consideration of estimates of the Department of the Attorney General.

The hon. Treasurer has supplied the supplementary information with regard to the Department of Agriculture, which we will start in a moment. I gather that information has also been provided regarding the Department of the Attorney General, and that it would be available tonight at 8

o'clock with regard to the Department of Energy and Natural Resources.

[Motion carried]

Department of Agriculture

MR. CHAIRMAN: We will start with the estimates of expenditure on Agriculture. It's on page 21.

MR. CLARK: Before we start, I wonder if I might put three or four rather general questions to the Provincial Treasurer that hopefully he could answer, which might help with all the estimates.

MR. CHAIRMAN: With your permission, I was going to give a preamble here as to procedures and so on.

As most of you realize, there will be a considerable change in the format of proceedings in the estimates due to the changeover to partial program budgeting.

At each of these meetings you will require the three blue books that you have: *Programme Estimates*, *Supplementary Information Element Details* and *Capital Expenditure Estimates*. You will be voting on only the program estimates, as capital estimates are now incorporated in the program estimates.

Now I want to repeat that, because this is a complete change from before. You will be voting on only the program estimates, as capital estimates are now incorporated in the program estimates.

If you will turn to page 21 of *Estimates of Expenditure*, you will see listed the five votes plus departmental total. These will all be voted on. Now if you turn to page 23, each section will be voted on, plus the total. Additional information regarding Vote 1 is on page 25.

Next, if you would open the book *Supplementary Information Element Details* to page 7, you will find additional information respecting Vote 1, and this follows for Vote 2, Vote 3, Vote 4, Vote 5, and so on.

If you will open your *Capital Expenditure Estimates* to page 5, you will find additional estimate information.

With your permission, we will try this procedure for Agriculture. If there are any suggestions or recommendations as to any way we can improve the procedure, I would be pleased to hear them after we have finished Agriculture.

Are there any questions before we start?

MR. CLARK: Mr. Chairman, I wonder if I might pose two or three questions to the Provincial Treasurer. The first question is: where does the basic control for departmental expenditures now rest? In the kind of situation we have now, for a transfer of funds within a department, there had to be approval by the minister. Now the real question comes: where does this expenditure control now rest? Does it still rest with the department? What kind of procedure will a minister go through to transfer money within his own department? Where does ultimate authority rest? Does it rest with the department? Does it rest with officials in the department? Is the minister responsible? Or is the Provincial Auditor responsible? Where does that responsibility lie? Perhaps I might leave that one.

MR. LEITCH: Mr. Chairman, I'm not sure I can give a total answer to that question. But I can say this: the capacity to transfer under this system is less than the capacity to transfer under the system we were using in prior years. In prior years the vote was by department as a whole, and transfers of funds within the entire department could be approved by the Auditor and Treasurer.

That is not so under program budgeting because we are voting by program. So there can be no transfer from one program to another. That simply can't be done now, so the field of transfer has been restricted. There can be transfers within the program. That transfer system within the program will be substantially the same as the transfer system we now have, which is a transfer approved by the Auditor and by the Treasurer.

MR. CLARK: Mr. Chairman, following up so there is no misunderstanding. Let's take the Department of Agriculture for an example. In the five program areas the Legislature will approve, there can be no transfer of funds between those program areas, but there can be transfer of funds within the program itself?

Whose responsibility is that? Is the minister responsible? Who has the authority? Or perhaps the real question is: under what authority?

MR. LEITCH: I would want to check to be absolutely sure, Mr. Chairman, but I believe I'm correct in saying that the transfer procedure will be an approval by the Auditor and by the Treasury, pursuant to a Treasury Board minute.

MR. CLARK: Then, in fact, it would be the Provincial Treasurer, as chairman of the Treasury Board, who would bear the ultimate responsibility, bearing some checking?

MR. LEITCH: Yes, Mr. Chairman, that's my understanding. But I will check it and get back to the committee.

MR. CLARK: Mr. Chairman, a second question to the Provincial Treasurer. When might we expect the full implementation of this PPBS budgeting system? I recognize this is a modified version of it, but what kind of time line is the government looking at for full implementation? Very frankly, I raise the question because I'm sure all members have found the information rather difficult to pull together. I have further questions on the code breakdown within. Can the Treasurer give us some indication as to the time line he is looking at to move from this modified venture we have here to a full venture across the board?

MR. LEITCH: Mr. Chairman, I'd hesitate to give any definitive time line. As all members of the Legislature will appreciate, this is a fairly substantial change in the method of presentation and voting on the estimates. I think we should absorb the major step first. Then, when we see how well that's done, we'll consider how rapidly we can implement additional aspects of program budgeting.

I should say that while members will find some difficulty this year because of the change in format, I anticipate they will find it much easier next year. Next year, we'll be able to present with the

information in the estimates book the forecast of the current year. So next year it's going to be much easier to compare proposed expenditures with actual expenditures this year. As members will have noticed from the element details, there will be a much greater breakdown in that respect than there was in the estimates of previous years.

MR. CLARK: Mr. Chairman, I appreciate what the Treasurer is saying. But the reason I think it's important we pause for just a moment and think in terms of some kind of time line is simply this: during this transitional period, it will be virtually impossible to compare the public accounts [from] one year to the next. If the purpose of this whole venture is really to do a better job of scrutinizing public expenditure, then we commend the government. But if this gradual move from the old system to a fully programmed budgeting approach takes some time, it's going to be virtually impossible to do the comparisons within public accounts during the period of this change and for perhaps one or two years after the change.

The Treasurer shakes his head. I wish he would enlighten me.

MR. LEITCH: No, I wouldn't think that would be the case, Mr. Chairman. As we move forward, it would just be a case of providing additional information. As I said, next year you would be able to compare this year's expenditure with next year's proposed expenditure. We'll just be adding levels to the available information. I wouldn't think it would create the kind of problem the Leader of the Opposition has in mind.

MR. CLARK: To follow along with that, if I could refer the Treasurer for just a moment to the objects of expenditure here, we have something like 40 different codes. A very basic question then comes: what kind of format is the Treasurer going to use for his report to the Assembly as far as public accounts is concerned?

My real concern is that if we are going to keep changing this around year by year as we move further down the road, it's going to be very, very difficult to compare. Is the Treasurer simply telling me the codes here will be the codes used not only by Treasury and the governor's budgeting, but also by the Provincial Auditor from here on, and [it] is simply a matter of adding information from there? Our real concern is that if we don't get through this transitional period quickly, estimates and, to a far greater degree, public accounts are going to be very, very useless as far as doing comparisons.

I look in the public accounts for '74-75, and I see items like public service and non-public service travelling, entertainment. If we look at the codes here, I think I can see, for example, about five places within the codes where you can put wages and salaries, contract people, and other ways of hiring people. For example, when you look at travel, we now have travel and relocation expenses and so on.

It's our concern that we have some idea how the Auditor is going to set this out. The Treasurer says there will be no problem. Can the Treasurer outline to us, in general terms, the approach he and the Auditor have discussed as far as the comparisons of the year we are finishing, today or tomorrow kind of thing, compared to next year? There is going to be a

tremendous need to put the two together so they can be comparable, or public accounts really appear to be useless.

MR. LEITCH: Mr. Chairman, it seems to me we are combining two questions here. One is further steps in program budgeting, and then the form of the public accounts.

What I envision is: public accounts will change in form for the 1976-77 year to conform with the change in the estimates. In subsequent years, they would be in substantially the same form, so you could have the kind of comparison that is being talked about. As we move forward with program budgeting into other stages, there would simply be an addition to the information that is supplied, not a change that would prevent comparison.

MR. R. SPEAKER: Mr. Chairman, a supplementary. Will the public accounts become more an evaluative process than a reporting process, as it has been in the past, to conform with the steps of PPBS?

MR. LEITCH: Mr. Chairman, not as a result of the move to program budgeting. There may be other changes that would involve that kind of thing, but not the change to program budgeting itself.

MR. CLARK: Mr. Chairman, I wonder if I could ask the Treasurer two more questions. One deals with the criteria for the code breakdown. Would it be possible — and I recognize the Treasurer wouldn't carry this, nobody would expect he'd carry this around in his head — [to give] the criteria the Treasury people are using with regard to the various codes? I say this because we have, as I said already, five different areas where we think you could have people's wages, salaries, contracts, professional, technical and labor services and other purchased services. If we could get some idea — a written form would be good enough — of the criteria used to allocate expenditures to the various codes, that would certainly be helpful.

Might I say, with specific emphasis on the code entitled "financial transactions", that is one of the codes we simply aren't able to follow very well. We thought the whole thing was financial transactions, when you take wages, purchasing, grants, and transfers out. If the Treasurer could get that information for us, with some emphasis on this "financial transaction" code, that would be very helpful.

MR. LEITCH: I'll endeavor to do that, Mr. Chairman.

MR. MOORE: Mr. Chairman, before beginning, I'd like to give a short overview of budget changes requested this year as opposed to the last financial year, and to touch on a few points directly related to the expenditure of the Department of Agriculture.

Mr. Chairman, one of the first things I want to bring to the attention of members is with regard to the percentage change forecast in the estimates from the comparable 1975-76 forecast to the '76-77 estimates. Your big estimates book indicates a reduction in total departmental expenditures of some 26.9 per cent. I want to indicate two areas where the major portion of that occurs, and to say initially that it is not a real reduction in expenditures. In actual fact,

the expenditures of the Department of Agriculture in the '76-77 fiscal year will increase about 10.4 per cent over the past fiscal year.

The two areas where that difference is largely made up are in the funding of the federal government's share of hail and crop insurance premiums, and in the operations of the Agricultural Development Corporation. Mr. Chairman, members will recall that on December 15, 1975, we assented to an amendment to The Agricultural Development Act which in effect requires that the Agricultural Development Corporation take certain expenditures from the revolving fund which were previously paid from the general revenue of the province and budgeted for by the Department of Agriculture. The difference there would amount to about \$6 million that we are not required to budget for during the coming fiscal year. In addition to that, the Government of Canada's crop insurance contributions, which amounted to slightly over \$15 million last year, will now be funded by a direct advance from Treasury when it is known exactly what that amount from the Government of Canada will be, and will not appear as a budgetary item. The total of those two means that in excess of \$20 million which was previously funded through the department budget is now funded in another way.

I want to indicate as well some of the major differences in the 1976-77 budget aside from those two areas. Within the budget, there is a reduction of about \$4 million [from] the forecast for last year and the estimates for this year in terms of interest payments to the cow-calf program. You will recall that in 1975-76, the 1974 program was developed with interest-free loans. Something in excess of \$47 million in loans was taken out under that program. This year the program contains a requirement that the borrower provide 7 per cent. The balance of the interest [will be] funded by the Department of Agriculture. We've budgeted this year for just under \$2 million to cover that amount of interest above 7 per cent.

Mr. Chairman, I believe I discussed this briefly in the question period the other day, but I would like to bring members up to date on the status of the cow-calf advance program of 1975-76, and also [give] a brief review of what happened last year. As of March 18 we still had 1,075 loans outstanding from the '74-75 program, amounting to \$3.2 million in round figures. As of that date we had received some 140 claims against the guarantee, totalling \$396,000. It's anticipated a number of other claims will be made because the guarantee cannot be implemented earlier than 90 days after the maturity date of the loan. In the '75-76 program, as of March 18, we've received from the banks close to 10,000 completed applications — which will be almost all of them — totalling \$33,328,000. We would expect when all the receipts are in for the 1975-76 program, the total lending at the 7 per cent interest rate will not exceed \$33.5 million.

I want to go from there and mention a number of fairly major items — in addition to the hail and crop insurance item and the Ag. Development Corporation — that were funded last year and that are one-time expenditures. Aside from the two I've mentioned, I believe the most major one is the grant of \$1.87 million made last year to the Veterinary Infectious Disease Organization, a joint project between the

governments of Alberta and Saskatchewan, the Devonian Foundation, and the University of Saskatchewan, in terms of developing scientific capability for research into livestock diseases.

In addition to that, last year we funded by special warrant a sum of \$420,000 for special irrigation programs on the Blood Indian Reserve and the Lost Lake project, which some members are certainly familiar with.

I have already mentioned a reduction of some \$4 million in cow-calf interest. Mr. Chairman, I want to go from there to review grants to agriculture societies very briefly. Although the total amount involved has increased very little, we have made some fairly major changes in terms of the kind of assistance available to all agriculture societies throughout the province.

First of all, I want to deal with the Class A ag. societies, namely, Edmonton, Calgary, Lethbridge, Medicine Hat, and Red Deer. In addition to continuing the \$100,000 a year grant of an operational nature to both Edmonton and Calgary, we've made commitments to both those associations that we would provide to them 1 per cent of the pari-mutuel tax now collected by the province. For those hon. members who are not aware, both those associations have spent extensive sums of money developing facilities for pari-mutuel racing. The province's income from that 5 per cent tax which is now levied has increased considerably because of the commitment those associations have made.

The pari-mutuel bet is presently divided: 84.9 per cent returns to the bettors; .6 per cent goes to the federal government for track inspection services and so on; 9.5 per cent is returned to the associations as a commission; and 5 per cent goes to the province as a tax. From the 9.5 per cent each association receives in commission, they're required to pay from 50 to 57.5 per cent to the horses, depending on whether they're thoroughbreds or [in] harness racing. This additional commitment of providing 1 per cent of that total pari-mutuel bet to Edmonton and Calgary will leave each association with an additional cash flow of about \$400,000 a year. Actually, their figures in 1975 were about \$365,000 for the Calgary Stampede board, and about \$425,000 for the Edmonton Exhibition board, which in actual fact represents 1 per cent of the total pari-mutuel bet during the racing season.

I want to go from there to deal with the other Class A fairs, which really cannot receive that much in terms of a reduction of 1 per cent in that tax, because they don't have that much betting. They are Lethbridge, Medicine Hat, and Red Deer. As in the past, we will be continuing to provide those three associations with a \$75,000 grant for operating purposes.

In addition, on approval we will be providing them with a grant equal to 25 per cent of the total of approved new capital construction, but not to exceed \$3 per capita on the population of those three cities. By way of example, the city of Lethbridge, with close to 50,000 population, could receive up to \$150,000 per year as 25 per cent of new approved capital projects. The limitation is to a maximum of 50,000 population.

For all Class B fairs, of which there are six — Grande Prairie, Lloydminster, Camrose, Olds, Vegreville, and Vermilion — in the next fiscal year we will be providing an operational grant of \$10,000 each,

which they did not previously have. In addition, they will still be eligible for a maximum one-time grant of \$50,000 under the regular ag. society grant program. Of course, all other ag. societies, C and D, will continue to be eligible for a one-time \$50,000 grant, which they are required to match for the purposes of capital construction.

I might add that a number of members have inquired about the funds which were available for ag. society grants in the '75-76 fiscal year. Letters have gone out today to those we have approved with copies to all MLAs affected. Those cheques are being printed now and will be forwarded very, very shortly to the MLAs concerned for presentation to their ag. societies. There are a number of them where certain things are required to be done yet, in terms of use agreements and so on with other organizations that are involved.

In the next fiscal year we will have available on that \$50,000 grant program something in the order of \$600,000 for Class C and D ag. societies. That won't satisfy all the requests, but I think it will come very close to meeting the requests for assistance under this program.

Mr. Chairman, while we're on the subject of grants, hon. members are of course aware that the Auditor's report, which was brought forward in December 1975, was in fact critical of the Department of Agriculture in terms of the control procedures within the department [for] the variety of grants we issue. I would go on to say that the report was not critical of any misuse of grant funds, but only of the fact that that could occur if we didn't take certain steps.

Since that time, Mr. Chairman, the staff of my department and the staff of the Auditor's department, and indeed the Auditor and I, have worked together quite closely to try to improve and develop more effective procedures for grants from the Department of Agriculture. The Auditor advised me a short time ago that he is satisfied we have improved to a very large extent the control procedures that exist for grants in the Department of Agriculture. We think, indeed, that there is not the possibility, that may have existed before, of moneys for grants being misused.

In addition to that, Mr. Chairman, on March 2 I signed and filed regulations under The Department of Agriculture Act, being "Department of Agriculture Grant Regulations". Hon. members may know that a section within The Department of Agriculture Act requires or allows the minister to develop grant regulations for various grants.

Mr. Chairman, for the information of members, I'd like to file a copy of the grant regulations of the Department of Agriculture, as signed by me on March 2.

I want to conclude by talking very briefly about irrigation and new positions. This year's budget does have a figure of some \$2 million for irrigation rehabilitation in southern Alberta. That is the same amount that was in the budget in, I believe, the last two fiscal years, arising out of the agreement that came about when certain arrangements were reached between the governments of Canada and Alberta.

Mr. Chairman, a year ago there was a commitment by this government to take from the proposed Alberta heritage savings trust fund over a 10-year period some \$200 million for the rehabilitation and devel-

opment of new irrigated lands, mainly in southern Alberta, but a portion of it was to be used elsewhere as well.

In that regard, I met with all the irrigation districts some months back and asked them to forward their proposals, with regard to spending under this new plan, to the irrigation council and to me, as soon as they possibly could. Most of those irrigation districts were able to submit their plans to the irrigation council by early February — not all of them for a 10-year period, but certainly for the next year to three years.

I had an opportunity some weeks ago, to meet with the council and review all those submissions. Further, I advised the irrigation districts by letter last week that the Alberta heritage savings trust fund has not yet been assented to and it is not possible to draw money from that fund, prior to at least the fall session of this Legislature. However, I have advised the irrigation districts that in addition to the \$2 million which we have in the budget, we are prepared to see them spend in total \$5 million in 1976 for rehabilitation, new construction, and that kind of thing.

We have asked the irrigation districts to go to the chartered banks to obtain interim financing. I've said to them that in the fall of 1976 we will be presenting to the Legislature an appropriation bill which will, in addition to providing financing for the irrigation districts' expansion in the following fiscal year, provide for the repayment of some \$5 million that those districts will be borrowing very shortly from our conventional lending sources to go ahead with this year's program.

In addition, I've said they should budget in a manner that the interest they would incur between when they borrow and when we make the payment would be covered as well. So in short, Mr. Chairman, a fairly substantial start will be under way this year on irrigation rehabilitation and bringing of new land under water.

From there, Mr. Chairman, I want to go briefly to the positions in the Department of Agriculture, as they appear at the front of the expenditures code. In 1975-76, we had 1,354 permanent positions. In the coming fiscal year, we will have 44 new positions. I want to explain that actually only 10 new positions are not presently filled. Thirty-four of those 44 are transfers from existing wage positions which have been in effect more than one year. As I understand it, we are required by the contract with the CSA to move people into permanent positions after one year in a wage position. So there are 10 new positions. I believe the number of man-years reflects about the same number of people. I haven't exactly checked that out.

Mr. Chairman, those are some initial comments. I wanted to have members make reference to the sheet that was just passed around. It's called "Program Budget Structure", which is a breakdown of the entire program services division of the Department of Agriculture. I had the pages pass that around just prior to receiving the identical sheet, except with the reference numbers for the new program budgeting system transposed right next to the department code that is used.

I have further copies of those, and if hon. members wish, and if the girls would be so kind, I'd ask them to pass copies of these around as well. They look the

same as the others, but they have an additional column that relates each of those subprograms, as they are identified there, to the various votes in the book we have before us.

With those remarks, Mr. Chairman, I'd like to close by saying that I do have with me, of course, some additional information on a variety of things that I don't want to load onto you all at once. Certainly I'll try to answer any questions with respect to the budget as we go through it. If there are some areas members feel we haven't got enough information on here today, I'll certainly make note of that and try to get it to bring to the House when next we meet in committee.

MR. CLARK: Mr. Chairman, I wonder if I might just ask the minister a question. It doesn't relate specifically to his comments other than when he talked about control procedures as far as grant payments are concerned. I believe the minister said they now have a more efficient procedure for grant payments within the department. I wonder if the minister could elaborate in some detail on just how that now works within the department, and who is ultimately responsible; or if he chooses not to now, when we meet again.

MR. MOORE: Well, Mr. Chairman, we have a rather simplified form, I think. For example, if the hereford breeders' association of Alberta is applying for a grant — which is a typical one whereby we supply up to \$20,000, matching, to all breed organizations for breed promotion work they might do in and outside Alberta — we would ask them to fill out a form that outlines the kind of program they are intending to proceed with, the total number of dollars involved, and then, of course, our 50 per cent share to a maximum of \$20,000. Before it comes to me for signing, I guess that goes through about five other people within the department. In other words, it works its way up through branch head, division head, assistant deputy minister, deputy minister, chief accountant, and minister.

I guess it's fair to say that previously we didn't have that flowthrough from the branch head to the division head, assistant deputy minister, deputy minister, and so on that we have now. Previously they sometimes came in a variety of ways — maybe from the branch head directly to the deputy minister, then to me as minister for signing. Really, what we've got is a more formalized approach that's written down now, with a specific form, which I could supply, requiring each organization or individual requesting a grant to fill it out.

In addition to that, of course, many of these grants are given on a basis of things that are going to be done. Now, we require an audited financial statement of what was done with that money. If, in fact, it happens that an organization applies for a grant and doesn't spend all of that grant money, they're required, under the terms of the grant, to submit those funds back to the government.

MR. CLARK: I wonder if the minister would be so kind as to give us copies of the grant application itself. I assume that on that grant application there are places for the branch head, the division head, the assistant deputy minister, the deputy minister, the

accountant, and the minister to sign. So we're looking at about five signatures. Is that the procedure?

MR. MOORE: Well, on the grant application form there actually is not room for more than the signature of whoever took the grant application. When they get to my office, they come with further pieces of paper stacked on top with the views of whoever reviewed them between that point and my office. Indeed, I would expect there are a number that never get to my office. For some reason or other, they're stopped en route and a decision is made not to apply that particular grant.

But I'll provide a copy of the application form, Mr. Speaker.

MR. NOTLEY: If I may, Mr. Chairman, on this. All grants, I take it, will be pursuant to the regulations you've given us copies of. Am I correct in that?

MR. MOORE: That's certainly our intention, Mr. Chairman. I've reviewed the regulations extensively, as has the department staff, and the auditor has reviewed them. I think it has to be said that the regulations themselves are fairly broad in that they allow a fair amount of latitude to the departmental staff and my office to provide grants. Of course, as you're well aware, the nature and variety of grants provided to the department are such that they need to be fairly broad. But at the same time, they do serve as a very good guideline, I think, for the department and me to follow in terms of providing grants and making sure that public funds are used appropriately.

MR. NOTLEY: Mr. Chairman, I have a number of general questions that I might put at the beginning, if that would be appropriate. I'd ask the minister to respond, as that might save time as we go through the estimates.

Mr. Chairman, we can probably get into long debates, as we have in this House, about two very controversial aspects of agriculture. One is the cow-calf question and what should be done there, and two, the whole question of orderly marketing. But we've done that. So I'm not really going to thrash that again. We spent two and a half days debating The Coarse Grains Marketing Control Act in 1974, and I think probably the views of the government, my views, and the views of the opposition and what have you are well stated on that issue. Similarly, last fall we dealt quite extensively with the cow-calf thing. So, rather than being argumentative in my questions, I'm going to pose a series of questions to the minister and would ask that he respond.

My first question does deal with the cow-calf question. I'd ask if the minister can advise what we're really looking at in terms of the negotiations between the federal government and the provincial government as to level of support. As the minister well knows, we have a fat cattle stabilization program which is not entirely satisfactory, at least in the view of many people, because of the level of support. What are we looking at? From the rumors I hear, it's somewhere around 42, 43, 44 cents. Is that a reasonable figure?

The minister also made it clear in question period today that we apparently aren't looking at a

retroactive plan. So in actual fact there will likely be no assistance from the new program, if and when it's announced this week or next week, or whenever it is announced, for producers last fall.

I want to move from the cow-calf question, Mr. Chairman, to the dairy issue. I can understand why there was an 11 per cent reduction in our market-sharing quota, because if you're going to have a market sharing plan and the market is reduced for one reason or another, you have to reduce the quota across the country. So I don't have any difficulty understanding that. But I do have considerable difficulty understanding the reduction of the 40 per cent in the subsidy. It seems to me that one of the problems we often get ourselves into is a stop-go approach with respect to a cut in subsidy. I could see the federal government phasing back the subsidy if there had been an improvement in the general price picture, or some logical set of circumstances. But I find it a little difficult to understand why we have, all of a sudden, a 40 per cent reduction in the subsidy *per se*. The 11 per cent reduction in market-sharing quota, as I say, is something that's at least understandable, because if the market shrivels, you somehow have to allocate the share of the market accordingly.

Flowing from that, though, I would ask the minister if in the discussion he would expand on how the government foresees allocating the quota in Alberta. I'm sure all members have received correspondence from milk producers in the northeastern part of the province who've made a suggestion that there be no sharing of quota over 600,000 pounds, I believe it is. I'd like to know specifically what mechanics the government foresees in dealing with this contracted milk share quota within the province of Alberta.

I'd like to move on to a third area. I raise this because I know the Minister of Agriculture is going to be speaking to a Unifarm district meeting in the Peace River country on a number of issues, and attending this meeting will be the gentleman who is promoting the debt moratorium. So the Minister of Agriculture is going to be sharing the platform with this particular gentleman, and I think it will be a rather interesting afternoon.

I wonder if the minister would like to advise the House before he gets to the meeting what the government's position is, not only on that principle in general, but more as it relates to specific problems. Here again we've had requests from the dairy producers for a year's extension. I'd like not only the general point of view — I think I can pretty well assess that from statements the minister made when he was a private member — but I'd like him to deal with it as it relates to selected areas of decline in the agricultural economy.

I'd also like the minister to bring us up to date on where we now stand with this Fine Seeds Committee that is roving around the province of Alberta. There's some concern among certain people, at least in the Peace River country, over the fact that a year ago a committee was elected to advise the government on fine seeds marketing in the province, and [it] suggested the establishment of a commission with authority to regulate prices. That committee has not been functioning for the last while. In its place, another committee was established with representation from the seed trade. Apparently, the proposal at

this stage of the game is for a commission, but one which would really be a promotional commission. As I understand it, a vote is now going to take place among producers.

My question to the minister is: why will both proposals not be presented to the producers in the province, so they could in fact make their choice between the recommendations of the elected committee last year and the recommendations of the appointed committee? The minister's already dealt with the question of the farm employment program.

The last thought I had, of a specific nature, Mr. Chairman, deals with the whole issue of grain handling in western Canada. I'd like the government's assessment of the Peace Agra proposal. He's probably familiar with that proposal; I'm not sure if other members are. Essentially, the objective of this proposal would be to have a series of grain-handling stations which would be able not only to take grain, but maximize the conditioning of grain. The proposal advanced by Peace Agra — about 20 grain-handling stations in the Peace River country — would be an effort to rationalize, if you like, the delivery, upgrading, and conditioning of grain.

I would be interested to find out from the minister just how the government views this proposal. Would they see any merit at all in some kind of pilot project in the Peace River region? As the minister well knows, a number of people have been promoting this scheme for about three years. I think it has a certain amount of merit, but I'd be interested in the views of the government.

I had several other points, Mr. Chairman, that really relate more to just general agricultural politics. For example, we've got Mrs. Plumptre's incessant attacks on marketing boards. Well, we've talked about that before. I really think we would probably do a great service for agriculture if we could get Mrs. Plumptre transferred to some other [job]. Perhaps if she could be appointed to the Senate, maybe that would be the most appropriate way of dealing with Mrs. Plumptre. In any event, I wish her well, but not in her present capacity.

The only other point I want the response of the minister on, Mr. Chairman, is the question of agricultural processing forms of one kind or another, and the bonding of these operations. Now, I know certain protections are built into the Canada Grain Act. The minister well knows that the protection offered by the Canada Grain Act is not all-encompassing.

Two of us, as members of the Legislature, shared a problem with the bankruptcy of a firm in Rycroft and right across the country. It was part of a national bankruptcy several years back. While the individual farmers were paid off a certain amount on the dollar, there's some dispute as to whether they got anything like they should. But, it was approximately 84 cents on the dollar. The fact of the matter is, they still lost money.

Now, not all agricultural processing ventures would come under the purview of the Canada Grain Act. It seems to me there is some argument, in my judgment anyway, for a bonding system which would cover that area not protected as a result of the Canada Grain Act. If we're going to move quickly, and we've already begun; if we're going to expand our agricultural processing, and I think most of us in this House agree that we should; it seems to me that is one

important area that should be specifically covered. I don't really believe the Canada Grain Act, as it's presently set out, and the Canadian Grain Commission are providing adequate protection.

MR. MOORE: Mr. Chairman, in dealing with the comments of the hon. member, first of all with regard to our proposal to Ottawa with regard to cow-calf stabilization and what level that might take. As hon. members are well aware, it was our submission that a stabilization program on a national basis should not be one that would bring to the producer a cost of production plus a reasonable profit return. In doing that, we felt we would be creating a situation that would entice production, therefore moving ourselves into a position of asking the industry to accept a program of supply management and a marketing board type of structure. We won't go into that, but we all know what that means. We also know, I think, there is a fair degree of opinion in Alberta which suggests that's not the route we should move in the beef cattle industry.

What we did in early December 1975 was to assess what kind of level might be available to cow-calf operators based on the amended Agricultural Stabilization Act, 1975, which in fact changed the formula to 90 per cent, rather than 80 per cent over the previous five-year level. If we were to make a payment to cow-calf producers in Alberta based on I think it was 400 pound calves, using 90 per cent of the previous five-year average price of those calves, a payment would be made which would bring producers returns up to about 42 cents. So you're correct in saying you've heard the figure is in that ballpark. But it was not arrived at by means of determining the cost of production plus a reasonable return or anything like that. It was arrived at on the basis of the formula that now exists within the Agricultural Stabilization Act. However, we felt that kind of assistance would really help those who were in difficulty in the industry. At the same time, we didn't feel it would be the kind of program that would entice people to produce and lead us into supply management.

Today I had intended to make some brief remarks on the cow-calf stabilization program proposal. I made most of those remarks during the question period. Simply, at this time we haven't been able to get any commitment from the federal Minister of Agriculture as to [whether] we're going to have a program in 1975 or when it's going to be announced. My understanding is that while they studied in depth our proposal for a separate cow-calf stabilization program, they are also studying the concept of including in the cost of production formula for the fat cattle stabilization program the cost of producing calves or feeders.

Previously, the cost of production formula in the existing beef cattle stabilization program was based on what feeders were selling for. If they sold for \$10, that's what went into the figure, regardless of what they cost to produce. So in fact it would help, I suppose, although we would certainly prefer to see a separate cow-calf stabilization program. If the cost of production formula contained the cost of actually raising a calf or a feeder, it would help in moving up somewhat the level of support for fat cattle.

Moving from there to the dairy situation, Mr.

Chairman, I say first of all that the chairman of the Alberta Dairy Control Board, who is a member of the national Milk Market Sharing Committee, is in Ottawa today and tomorrow for what we hope will be the final meetings in terms of allocation and market share quota among provinces. We indicated earlier that we expect to get somewhere close to 24 million pounds as market share quota in Alberta. I'll be in a better position later this week to deal with what we've actually got.

We've said time and again, and as late as last Friday, to the federal government that we think a lot of our problems could be solved if the Government of Canada would meet its firm commitment of last year, the year before, and the year before, to provide a level of subsidy for all the market share quota that people were able to put on stream prior to April 1, 1976. That hasn't been the case.

Mr. Chairman, in relation to the second point of the hon. Member for Spirit River-Fairview, I too — indeed all provincial ministers across Canada — have had difficulty understanding how the Government of Canada can get out from under a commitment all of a sudden because production let up. I think everyone has made his concern known in the strongest possible way. But it hasn't resulted in any movement to ensure that they fund the subsidies 100 per cent, or even 90 per cent.

As you all know, in the latter part of last year we were down to 60 per cent of what had been promised, although I think the average for the year was closer to 90 per cent, because they had been paying 100 per cent at one point in 1975. After having determined the exact market share quota for Alberta, which I hope we'll be able to do later this week, we'll be able to discuss further. Hopefully, we can do that within the next couple of weeks. I'll be talking to the chairman of the Dairy Control Board. Of course, the members of the board will be dealing with the matter of how we allocate that market share quota within Alberta. It's my view, supported by our Dairy Control Board, that once we've secured our share from Ottawa, the allocation of quota within this province is a matter that's strictly up to the province — to me, as Minister of Agriculture, the Dairy Control Board, and the people we have on that board — to represent the interests of producers.

We've already done two things which I think I mentioned before; that is, to say to people who were not producing up to their quota in 1975, if you were in full production for the year 1975 but did not produce to 100 per cent of your quota, your quota in '76 will be what you did produce. This is going to be somewhat difficult to administer. We will be saying to people who maybe started with 20 cows at the first of 1975 but were involved in substantial alterations and building up their barn and herd size, and who reached 30 cows at the end of the year: yes, we recognize you had plans early in 1975 to increase your herd, therefore, we'll have to base your quota on what you might have produced if you had had all those cows in production.

In addition to that, we said in the transfer of market share quota that only 75 per cent can be transferred. Twenty-five per cent of any transfer will revert to the Alberta Dairy Control Board for reallocation to new producers or producers who went into business in 1975. We think the combination of those two moves

throughout the course of this year will give us something close to a million pounds of market share quota to put on top of the 24 million pounds we hope to get from the Milk Market Sharing Committee, still leaving us in a position of probably being a million pounds short of quota to meet existing production or expected 1976 production.

Mr. Chairman, all I can say there is that, subject to finalizing what we're getting as a market share in Alberta, and further discussions with the chairman of the Dairy Control Board, I'm not at liberty today to say or even know exactly how we might try to find or distribute quota more equitably among all those people. We'll be taking into consideration the brief from the producers in the northeast that says no one should have more than 600,000 pounds. Before doing that, I have to determine how many have more than 600,000 pounds, what their financial commitments are, and so on. If we've got somebody out there who's got 80 or 100 cows which produced 900,000 pounds last year, I really think we might be able to reduce him some. But to cut them back by 35 per cent may be more than that operation can stand financially. It's quite possible that the situation of not having enough quota and very low subsidies could put a larger operator into bankruptcy just as easily as a small one.

I would want to assess all those factors before making any commitment on an upper limit, although it may well be that starting from this day forward, or some point forward, we could say to people, there is a limit. Stick to it. We've done that in a variety of other commodities, of which you are all aware.

To deal with the subject of debt moratoriums, I say again quite frankly that I've had a lot of difficulty in figuring out just how that would work. I would guess that if you were dealing with only two levels of government — federal and provincial, FCC and Agricultural Development Corporation — it might be possible, if those two levels of government agreed. But dealing with the finance companies, farm machinery dealers, fuel oil dealers, and everybody else out there who extends credit to Alberta farmers, I can't see how you can say, we're not doing very well in the dairy industry in 1976, so we're not going to pay our bills for a year. I don't know what kind of legislation you'd have to put in place to take care of that. Frankly, I'm still at a bit of a loss to figure out how it would work. If somebody could enlighten me on the mechanics of what happens when I tell my fuel oil dealer, to whom I owe \$1,200, that times are tough and government legislation says you're not going to get paid for a year or two, I'd be happy to consider your comments.

With regard to the Fine Seeds Committee: as some members would know, a committee was elected by attendants at local meetings throughout the Peace River country — largely in 1974, I believe it was — and went to work trying to determine whether the forage seed producers in that area in particular were interested in a marketing board or a commission. My information from that committee, to the extent they did work, was that the seed growers from the area indicated they were not interested in a marketing board.

I think it's fair to say the recommendations of that first committee were to look not at a marketing board, but rather at a commission which would take a

checkoff and research forage seed development, market research, market information, that kind of thing. We were at a period when I suppose we might well have said, we'll have a vote among the producers and find out whether they want a commission. I felt the committee that had been struck, while it may have been representative of seed producers in some area, wasn't broad enough to do the kind of thing we wanted in terms of getting out information about how a commission would work, what it would do, and so on.

I made a decision to appoint what might be called representatives from all the interest groups. I invited the Government of British Columbia, the Government of Canada, the B.C. Federation of Agriculture, the Canadian Seed Trade Association, Unifarm, the Canadian Seed Growers' Association, and the National Farmers Union, Region 8, to appoint one member each to a committee that would follow up the idea of a commission. I felt it was important to have people like the Canadian Seed Growers' Association and the Seed Trade involved because in our most recent work in this particular thing, we've had to get — and it's the only place it was available — a complete list from the Seed Trade of all those who produced forage seeds during one of the last three years and sold it. That's the only way we were able to be sure to get information out to everyone.

In my own mind there shouldn't even be a question now of whether we've got the right or wrong committee. I would hope that people will get off that and put their minds to the subject of whether we should have a commission, whether some of the funds forage seed producers receive for their seed — and very small amount it would be — should be channelled into a commission that can provide the kind of market information, research, and so on that is pretty necessary to anyone producing forage seeds.

It's not true that we will be having a vote soon — at least not in my mind. We're having informational meetings this month throughout the Peace River country. The report I receive from those meetings will indicate whether there's a fair degree of opinion we should have a committee. If that report indicates there is very, very little interest in it, we probably won't have a vote. If it indicates a substantial majority of people — 50 per cent or so — are interested in a commission, it would be my intention to have the Agriculture Products Marketing Council conduct a plebiscite among registered producers. I hope it would be done by mail so everyone involved in forage seed production could review the issue and the benefits of a commission, and respond by mailing their ballot. Needless to say, having had some experience with the Alberta Beekeepers' Commission, we won't be implementing it until we're sure we have a positive voice from at least 50 per cent or more of the producers wanting that kind of thing.

To conclude, as far as Peace Agra [Commodities] is concerned, I've viewed their entire proposal on more than one occasion. I'm not sure in my own mind yet that it's the kind of proposal that will be accepted by farmers throughout the Peace River country. As hon. members well know, the entire grains industry is in a state of change today. We're talking about inland terminals [in] some places, we're talking about high throughput elevators, we're talking about scaling

down the number of delivery points. I really think it's a little too early to say that the entire grain system that now exists in the Peace River country would move aside and make room for the new concept that's being talked about.

It may well be that the kind of concept — certainly I think it would have had more merit than ever had we not had any kind of grain system in place there now. But one of my questions to some of the people involved there was: what happens to the Alberta Wheat Pool and United Grain Growers? The answer that I got, which may not have been representative of the group involved, was that they simply will be out of business. I don't expect those two companies to lie down and play dead that easily. I'm sure they'll be providing service to farmers for many years to come.

Government, while not having been directly involved in this proposal, is not opposed to it. It's certainly interested in seeing it developed to the stage of getting input from farmers throughout the Peace River country as to what they think of farm grain storage in these large points, drying and cleaning and so on.

I think, Mr. Chairman, that attempts to answer most of the comments the hon. member raised.

MR. NOTLEY: Just one additional question, Mr. Chairman, related to the bonding of agricultural processing.

MR. MOORE: Mr. Chairman, with regard to the bonding of agricultural processing plants, it's a very difficult question. We've said to the Canadian Grain Commission on a number of occasions that we would like to see them improve their ability for checking on grain handling firms in terms of their outstanding commitments, and so on. The people who work for the Canadian Grain Commission in this province do an excellent job, but they're spread pretty thin. There are just not enough of them to go around in terms of checking on each individual operation from time to time.

The business of bonding, Mr. Chairman — particularly if you consider bonding the outstanding commitments of a company in terms of contracting and that kind of thing — poses a large problem. An awful lot of the companies involved in these kinds of purchases, no matter how good they might be financially, simply haven't got the capabilities to post a bond that's extensive enough to cover the entire commitments they might enter into.

For example, if a rapeseed crushing plant were to contract 50 per cent of its annual output, which would be about 4 million bushels of rapeseed, at \$5 a bushel, you're looking at \$20 million. Unfortunately, many of these companies are just not in a financial position to secure a \$20 million bond to cover that kind of outstanding thing. I would guess that is one of the reasons the Canadian Grain Commission has not in fact upped its bond requirements, but I would think it could improve them some.

As you are currently aware, the bond required, I think, is \$100,000 on each individual plant. It could well be that that could be increased considerably to provide a lot more protection, because obviously, if a company contracts to buy 5 million bushels of rapeseed worth \$5 a bushel, the total loss involved is not going to be \$5 a bushel. As in the case of the

plant in Camrose, the loss involved was really the difference between their contract price and what the individuals received at another market place, which was somewhat less. It varied depending on the level of erucic acid in their high erucic acid seed, and so on. It's not an easy question. We're certainly, with the Alberta Grain Commission through the department, dealing continually with the Canadian Grain Commission in trying to upgrade that.

I would say in conclusion that, while we have considered the possibility of provincial legislation that would require bonding, it continues to be our view that in a situation where you have grain companies continually operating across provincial borders, and many of them do, where you have the entire administration of the grain handling and so on under the Canada Grain Act and the Canadian Grain Commission, that's appropriately where the bonding and the policing provisions lie. If we implemented them in this province, we would be overlapping things that are or indeed should be done by the Canadian Grain Commission.

MR. MANDEVILLE: Mr. Chairman, just on a point of proceeding, when we're on general discussion at this point, will we have general discussion as we have in the past on title and preamble?

I'd like some clarification: are we going to go through these by programs in each vote, and will you be reading off each element in each one of the programs? For example, in No. 1, Departmental [Support] Services, and then there's a department total. Will we be going through the Deputy Minister, financial services personnel?

MR. CHAIRMAN: We will be voting on each of those numbers. There will be, I hope, a reasonably short discussion, as there's a good discussion at the beginning. When we come to department total, which is the final vote on this department, there will be another general discussion at that time.

Now, if you're prepared . . .

MR. TAYLOR: Mr. Chairman, I'd just like to raise one question of interest to the producers, as a matter of fact to all of the people in my constituency, and that is the inroads we're making in regard to export markets. Quite a thrust has been made to get other markets and new markets for agricultural products, and this has been a point of interest among the producers in the Drumheller constituency. I wonder if the hon. minister could give us some indication of progress we're making in regard to that thrust, in regard to actually getting markets, new markets, in other parts of the world that were not the customary or regular markets for agricultural products in this province.

Along that same topic, I believe last year some time was spent talking about the Indonesia development project, and that this was being done in conjunction with the federal government. I'm wondering if, at this time, we have any results of that project, what has been accomplished through that development project, what were the objectives, and what has actually been accomplished in regard to that point.

The third point along the same line is the move on the part of our railways to close a number of their branch lines. I've noticed that in the submissions by the CPR — notably by the CPR and to a lesser extent

by the CNR — claims are being made that the railways are losing money on every bushel of grain they haul, whether it's on branch lines or on main lines. I've suggested to the Hall Commission on more than one occasion that if that is the case, the only way they're going to avoid any loss is to stop hauling grain altogether. Simply closing up a few branch lines is not going to solve their problem.

I also am concerned that if we close the branch lines, where is the product going to come to feed the main lines? Once the product gets to the main lines, that same loss is going to be evident. So in my view, it seems like the CPR particularly is endeavoring to hound the federal government to do away with the statutory grain rates or the Crowsnest rates, and are doing that by trying to close certain branch lines in the province. I would think there's a lot of concern among producers.

In my constituency alone there are five branch lines now under consideration. Every one is carrying more than a million bushels of grain a year. Some are carrying way beyond that, some more than a million bushels from one point. I've suggested to the Hall Commission that a lot of countries in the world would be so happy to have that much grain that they would build a railway with their own hands to move it, or even carry it on their heads, in order to feed their hungry people. I just can't understand the railways wanting to tear up tracks when we have that much grain to move, to say nothing about other products.

I feel this is all tied in with our production. We talk about the increased costs of producing foodstuffs, and here we have another cost being loaded onto the farmers. If they have to haul their grain another 20 miles by truck at a cent a bushel, considerable cost is going to be added to that production, with nothing in sight at the present time to indicate that one cent more will be paid for the grain, the wheat, that is being hauled.

So this move on the part of the railways to eliminate branch lines could be a very important factor in increasing the cost of production of grain, not only to feed the people of Alberta and Canada, but also to help the hungry people of the world.

I raise the point in the agriculture vote, because I feel it has such a direct influence on production costs that we should be taking a pretty definite stand about the railways not closing these branch lines unless there is a very reasonable alternative for hauling the grain without adding costs to the shoulders of the producers.

I was very happy with the submissions made by the Department of Transportation. In no place in their submissions were they quietly saying that it's okay to close these branch lines. In my view, the closing of a branch line should be the very exception. Very, very seldom, if at all, should a branch line be closed or abandoned. In many places in the Drumheller constituency — I shouldn't say "many places". In one place, I've seen tracks rebuilt and tipples torn up and done away with on three separate occasions. Each time they have to build the tracks again, build the tipples again, and that has all been added to the price of coal.

Now we're talking about doing that similarly with wheat, and many producers on those branch lines are very, very concerned. It seems to me there are other alternatives, such as doing away with the duplication

of tracks — CPR and CNR running parallel tracks. In my view — and I've said so to the Hall Commission — one of those tracks should be abandoned before we start abandoning branch lines that are hauling 1 to 2 million bushels of grain every year.

There are a number of other alternatives, but I'm not going into them now. I am concerned about the possible increase in the costs of production on the shoulders of our producers if these branch lines are closed out holus-bolus, as the railways — particularly CPR — now appear to be aiming to do.

I would appreciate any comments the hon. minister has on that topic, and on the one I mentioned first, successes we're having getting our production into the markets of the world.

MR. MOORE: Mr. Chairman, before responding to some of the comments of the hon. Member for Drumheller, I was able to bring in copies of the Alberta Agriculture grant application forms. I just want to say that in addition to that form, a variety of programs require extensive additional information. For example, during the last four months, as some hon. members would know, we reviewed every single ag. society and had our financial analysts spend a lot of time with them to make sure their projects were feasible in terms of capital construction, their operating costs could be covered, and that kind of thing.

For example, in the case of ag. societies, this would really serve as a kind of superficial sheet of paper, and what comes after that is very, very extensive. I might add that I think in every case those agricultural societies were pleased to have the ability to come in and sit down with our financial analysts and have their input into the kind of project they had in mind.

Mr. Chairman, with regard to projects involving trying to get Alberta agricultural products into other parts of Canada and other parts of the world, hon. members well know our announcement and talk since then about the pork contract signed with Japan last year. That's a good example of how you get into a market in a major way. That didn't just happen overnight. It happened as a result of two earlier contracts and a lot of work, not only by some of our people in the marketing division of the Department of Agriculture and the Export Agency, but among importers in Japan, trading companies there, packing companies in Alberta, the Hog Producers' Marketing Board, and hog producers themselves.

As is so often the case, we found that with many products, particularly pork but beef as well, we don't just move into a market and try to compete, for example, with Australia for beef prices in Japan. They have been moving cow-beef into Japan over the last couple of years at very, very cheap prices, which we couldn't touch at all.

We're involved now in a pilot project for moving into Japan, on a trial basis, fat animals grown to Japanese specifications, you might say, where we're not talking about price. We're talking about quality, and quality control from when that animal leaves the packing plant here until it's consumed in Japan. We're talking about serving a specialty market there, really the hotel, restaurant, and institutional trade, which in fact doesn't mind paying more for good quality beef.

In addition to that, we've been involved in a number of areas, even relating to feed grains. We set up a project almost two years ago, called the Jamaica feed trial, in co-operation with the Canadian Wheat Board. Our end in Alberta was handled by the Alberta Grain Commission. We've been involved in helping to finance some shipments of feed grains from Alberta to Jamaica for a trial project on feed grains in that country.

We're not just interested in Jamaica alone. But if, in fact, we can show them that our feed grains are a valuable source of protein and can compete, are better than, or are at least equal to, feed grains from other parts of the world, it opens up the whole area of selling feed grains to countries in the same climatic situation as Jamaica. So in that particular instance, in fact, we have some people who just left about two weeks ago with the Canadian Wheat Board to do our first follow-up in terms of the results of those feed trials.

I could go on, Mr. Chairman, and list a number of areas, I guess, where we're involved in pilot projects. I think it's important to develop a market on the basis of a secure supply of a quality product. It would be easy for us in times of surplus — and indeed we've done it in past years — to simply dump into somebody's market at a reduced price. But it has been our view, and continues to be, that the more responsible approach is to try to develop a market you can serve at a price that will bring the cost of production plus a reasonable return to our farmers.

In 1974 and '75, it would have been easy to take government funds from the Government of Canada or Alberta to subsidize the price of beef and dump it into countries like Japan, trying to compete with the Australians and others. But I really don't think you go very far with that kind of method in building up anything that is very long term or secure for our farmers.

Mr. Chairman, I think the views of the hon. Member for Drumheller with respect to the railway companies and branch line closures and so on certainly follow very closely the presentations made on December 4 to the Hall Commission by the hon. Deputy Premier and Minister of Transportation. I was involved in assisting in that presentation, and indeed the Department of Agriculture was quite involved in that preparation. The hon. member is correct in asking what feeder lines are all about. We've talked about the Alberta Resources Railway for example, and one of the difficulties with that railway at the moment is that it hasn't got any feeder lines.

I've just been in some discussions involving the Sexsmith rapeseed plant. They'll be shipping the oil from 6 to 8 million bushels of rapeseed every year. That plant is located 13 miles from the end of the Alberta Resources Railway. If you're going to move oil over that railroad, you've got to get agreement from the NAR, who would much sooner move it into Edmonton over their own railroad and thus increase the mileage to Vancouver by something like 200 miles.

So our submission as well is that many of these feeder lines have meant, in fact, that the railways have been able to make some money on a tonnage basis on their main line. In addition to that, I think the hon. Member for Drumheller knows that not by any means were all those branch lines built to haul

grain. A good number of them were built for coal. Indeed, the branch line north of here to Athabasca wasn't built to haul grain. Now some of the railways are telling us those lines are no longer economical to haul grain, at the same time coal in this province is coming back into prominence. What we've done in the submission to the Hall Commission is identify the kind of tonnage that might be hauled by rail from the various areas and branch lines throughout Alberta, and coal was a major portion of that tonnage. We're looking down the road, not just five years, but 10, 15, or 20 years.

I think it's important that most, if not all, of those branch lines remain in place, simply to ensure that we are able to haul that kind of tonnage — even aside from grain, and I don't underestimate the importance of it. But I'm certainly aware, as I think all hon. members are, that there are a number of delivery points very close together which are going to close out. The concern there, with two points three miles apart, is not so much the closing of one, but the loss of the storage capacity in that place, particularly in the northern half of the province where storage is always full and we're not able to get boxcars out of the block system as readily as we might. This is one of the things we've been saying to the elevator companies. When they do close smaller delivery points, we hope they will take appropriate steps to ensure there's at least the amount of storage there was previously, if it means building new and additional storage at the other points. I know that later on in the session — perhaps when the estimates of the hon. Minister of Transportation are up, he would want to say something as well on the whole area of transportation insofar as it applies to the rail lines.

Agreed to:
Appropriation 1.1.2 \$103,713

Appropriation 1.1.2

MR. NOTLEY: I'd just like to put a question at this point. I've been looking through the various documents. Is there any overall figure as to fees and commissions this year for the department as a whole?

MR. MOORE: I beg your pardon?

MR. NOTLEY: The overall total for fees and commissions in the department.

MR. MOORE: I have that, Mr. Chairman. The totals for the entire department are: contracts for personal services, \$780,000; and contracts for professional, technical, and labor services, \$2,430,580; bringing the total to \$3,210,580 for fees and commissions. That is now under the heading of supplies and services as it applies to this vote, although there's a very, very small amount in manpower costs which would be the amount I quoted of \$780,000 for contracts for personal services, the balance being in supplies and services.

MR. CLARK: Just following that along, I wonder if the minister is in a position to give us a comparison with last year. How does that \$3.2 million compare with last year? Do you have a figure there?

MR. MOORE: I'm sorry, not offhand, Mr. Chairman. I could get it quickly, I'm sure. I do not have a figure for the total fees and commissions last year. It would be as outlined in the estimates of last year, but I don't have it with me.

Agreed to:
Appropriation 1.1.2 \$126,713

Appropriation 1.1.3

MR. CLARK: Mr. Chairman, I wonder if I might just ask the minister here — perhaps it's as good a place as any — if he could deal with this whole question of grants. From the budget breakdown we have here, we see under support services something like \$2.7 million for grants in the whole section. Can the minister give us a breakdown of that particular area under the support services portion here?

MR. MOORE: What vote are you referring to?

MR. CLARK: Oh, I'm sorry. I'm one vote ahead.

Agreed to:
Appropriation 1.1.3 \$473,593

Appropriation 1.1.4

MR. MANDEVILLE: Mr. Chairman, I see there's a substantial increase here of 120 per cent. The minister did indicate they weren't taking on that many more personnel. Would that be involved in transfers?

MR. MOORE: That does involve transfers. Just a moment, I could find it. It's a transfer to the communications division of postage costs, and a number of other things that were previously included in other votes. In other words, the real increase there is certainly not 137 per cent but a normal increase. As we move through the votes, I think we'll see where the decreases occurred. For example, the 31.9 per cent decrease in financial services was due to the fact that it was moved, and I believe that was postage moved into the communications area. Perhaps later on I can provide the exact items which were moved to that communications area.

MR. KUSHNER: Mr. Chairman could I ask a question, probably in the personnel area. If the minister is in a position to let us know, how many personnel are actually on car allowance? What percentage of the personnel in your department are on car allowance? The car is supplied by the government for . . .

MR. MOORE: Well, Mr. Chairman, with the exception of some vehicles which are supplied mainly in irrigation districts — half-ton trucks and that type of thing — everyone in the department who does any travelling is on car allowance, with the exception of myself, the deputy minister, and the Farmers' Advocate. All of us have government automobiles.

MR. KUSHNER: This is precisely my point, Mr. Chairman. I notice nothing but big cars around here.

I wonder if the department, Mr. Chairman, is thinking of using smaller cars, compact cars, rather than big cars, especially for those who are only driving around all by themselves?

MR. MOORE: Mr. Chairman, the Minister of Agriculture has a standard Chrysler, the deputy minister has an Oldsmobile, and the Farmers' Advocate has a Plymouth. As far as I know, all those other people are buying those big cars from the salaries we pay them.

MR. KUSHNER: Mr. Chairman, I'd like to follow it up. So the policy of the provincial government is to use big standard cars, rather than compact cars. Am I correct? Is that the policy of your department, sir?

MR. MOORE: Perhaps, Mr. Chairman, you might want to direct that to the Minister of Government Services who is responsible for the purchase of all automobiles.

MR. KUSHNER: May I direct the question to the Department of Government Services?

MR. SCHMID: Mr. Chairman, regarding the policy of purchase of cars. First of all, of course, we have to understand that if any vehicles are made available to the civil service for their use other than getting mileage payments for using their own cars, more than just considering whether it's a compact car, we also have to consider the safety of that civil servant in question. They sometimes have to travel over gravel roads, over gumbo roads, and everything else. Sometimes it's not so much getting a compact car, but getting a car — or, for that matter, a truck — that will get them to their destination in the first place.

MR. KUSHNER: I'm asking you a direct question. Is it the policy of the government that we use a standard car? Or does your department consider, if the car is used in the cities, that it would be a compact car? I believe it's a waste of money, gas, and everything else. We should consider using smaller compact cars. [Inaudible] the hardship of the gumbo, the mud, the gravel, and this sort of thing.

AN HON. MEMBER: Hear, hear.

MR. SCHMID: Mr. Chairman, I have to repeat that I doubt whether any of the civil servants employed in the city would be able to get a government car. Usually cars are given to civil servants who travel out in the country. Again I have to say we usually try to get the best possible car at the best possible price, considering the conditions under which these civil servants have to travel.

MR. KUSHNER: Mr. Chairman, if I can direct this question to the minister again. Would the minister consider getting compact cars for civil servants to use in the future?

MR. CHAIRMAN: Perhaps we could come back to this subject when we come to the minister's department. I think this is a little separate from what we're discussing at the present time.

MR. KUSHNER: I'll be delighted to delay it to that time.

MR. CHAIRMAN: You can bring it up again when we come to that particular minister's department.

MR. TAYLOR: Mr. Chairman, I would like to deal with the matter of cars for the Department of Agriculture. At one time in government service, the government owned quite a fleet of vehicles. They were all stamped "Department of Agriculture, Government of Alberta". A lot of complaints used to come to the various ministers about people taking their cars, which were government marked, to the parks on Sundays, to the shopping centres on Saturday afternoons, and so on. So the policy was gradually changed. An allowance was paid to the people, and they had their own cars. They were paid an allowance for every mile, so much for using it for government business, and so on. This was a number of years ago, and we've now had the experience of both systems.

I'm wondering if the department has ever carried out a survey to find out which method was actually costing the people less. This could take a little work. But I think it would be time well spent to find whether we're now saving money through everybody having their own cars, paying their mileage, helping with their business insurance and so on, rather than buying the cars, owning them, disposing of them, and so on. I think it would be a very interesting study to find out whether the theory used in converting to the new system was sound or otherwise. I'm wondering if the minister has carried out any study of that nature in the Department of Agriculture.

MR. MOORE: Mr. Chairman, no, not in the Department of Agriculture. I expect that they may have in the Department of Government Services, and if the Minister of Government Services wants to respond . . .

Agreed to:

Appropriation 1.1.4

\$361,639

Appropriation 1.1.5

MR. MANDEVILLE: Mr. Chairman, I see there's a large increase here. I'd like to ask the minister: are new programs going to be involved in communications? What is the reason for the large increase of 137.3 per cent here?

MR. MOORE: Mr. Chairman, I know it involves transfers because of the program budgeting set-up. I know that postage and a number of other things that previously were funded from another vote are involved there. As to the exact number of things transferred, I would have to provide the information later on. I think I have it somewhere, but I haven't got it in front of me, Mr. Chairman. We can either hold that, or I can report to the hon. member, whatever is your wish.

MR. R. SPEAKER: Does this include an increased budget for advertising on television and radio, that type of thing? Does the minister have presented to

him a sort of format of all those advertisements that go on television with regard to agriculture before they are approved or before they go out to the general public?

MR. MOORE: No. In terms of the kind of advertising we do, most of which is in conjunction with the industry in Alberta, there is only an appropriate increase to do about the same amount as we did last year. We've allocated or will be allocating it in different ways. For example, I made a commitment to the dairy industry to assist in an advertising program for the increased consumption of fluid milk in Alberta, because that was the best way with limited dollars that we could effectively help our milk producers. So in that area we're allocating money that might have been allocated in something like Agri-Prom last year.

Not to say that Agri-Prom, which is a joint venture between ourselves and a number of agriculture processors, is not going to continue. But there is a scaling down in some areas where we needed to do something new. In general, the total amount available only reflects the increases in normal operating costs of 10 to 12 per cent.

MR. YOUNG: Mr. Chairman, it would seem to me, if I understand program budgeting correctly, if we were providing or assisting in the provision of advertising for the dairy industry, that would show up in program budgeting under marketing assistance. Would that not be correct?

MR. MOORE: Yes, that is correct. It's not under this vote.

MR. YOUNG: Mr. Chairman, getting back to communications. Is this by any chance an allocation of cost from our government information system? Has it been split out this year and divided up to departmental sharing?

MR. MOORE: Mr. Chairman, just going through vote 1.1.5, which is referred to in your program budget structure that I passed around as S1-38, that covers all the expenses of the communications branch which, some members will be aware, provides an information program directed towards producers, consumers, and the general public — things like *Call of the Land* and all of our weekly and monthly publications with regard to market information and so on; daily radio and television programming; news release publications, like *Agrinews*; audio-visual productions within the department; films that are made with respect to informing consumers and people in agriculture. In addition to that, it includes liaison with other departments of agriculture in terms of communications, publications they might produce that we would want to republish, and that kind of thing.

It operates the library within the Department of Agriculture. In actual fact, the level of publications sent from the communications section includes every conceivable aspect of the Department of Agriculture. Just going down the lists of various parts of the department and the dollars spent from the communications branch on each part, I see almost every element listed under the element section. For example, animal products, animal health, plant products, market development, nutrition and food, ag.

processing, commodity development, and so on. All the publications that involve any of those departments come now from the communications branch.

MR. CLARK: Mr. Chairman, if I might just ask the minister or perhaps the Provincial Treasurer. It is my understanding that when we moved on this program budgeting — and I'm certainly by no stretch of the imagination an authority in any way, shape or form — if we were going to have publications which dealt with products, let's say, or production, we can find those under Vote 2. Now, isn't this the kind of procedure we're using under program support — isn't that where we find all the programs in the department that relate to this whole vote of production assistance?

So it gets back to the very basic question: exactly what is involved in the element of communications? Can the minister give us a list, or give us a list by estimates next day, of what is involved in that element? Because if we don't do that, we're going to go around and around and around.

MR. MOORE: I said earlier, whatever is the wish of the committee. I do not have a complete list of all the things involved in communications or a complete list of the transfers made from other areas into the communications section. Whatever is the wish of the members — if you want to hold that vote we'll go on and I will provide that list. I've mentioned a number of things it's involved in, but I'm sure I can provide more detailed information with regard to the increase of 137 per cent.

I would say in concluding, however, Mr. Chairman, that the hon. member is correct in thinking communications publications, TV, radio programs and the like, whatever section of Alberta agriculture they have to do with, do come out of the communications vote. All our communications are not separated throughout this entire package, or there would not be the need for a communications vote of anywhere near that size.

I think it's reasonable to fund all the communications pamphlets, and so on, from one particular vote because, indeed, many of them overlap and it's hard to tell whether you're dealing with just production assistance or what you're dealing with in terms of a lot of the communications that are involved.

MR. CHAIRMAN: Is it agreed that we hold 1.1.5?

HON. MEMBERS: Agreed.

[Motion carried]

Agreed to:

Appropriation 1.1.6

\$231,859

MR. CHAIRMAN: We can't do Total Departmental Services until we clear up 1.1.5.

MR. CLARK: I wonder if we might just slip back to 1.1.3 for a moment and ask the minister if he'll give us the same kind of basic information there as he's going to give us for 1.1.5 as to exactly what makes up the elements of financial services.

MR. CHAIRMAN: Agricultural Assistance 1.2. Are you agreed we go on to that?

HON. MEMBERS: Agreed.

Agreed to:

Appropriation 1.2.1

\$305,837

Appropriation 1.2.2.

MR. TAYLOR: Mr. Chairman, I notice there's quite a cut here, and I realize there are going to have to be cuts or we're never going to stay within the 11 per cent guidelines. I was wondering, however, just what has been cut in research. It seems to me, over the years, that one of the easiest things to cut is research, and I'm just wondering if this is going to have a bad effect later on. I understand that medical research is being cut drastically by the federal government.

In connection with research, I was wondering if the minister has any set percentage of his budget that he does try to spend on research in agriculture? A number of years ago, Dean Hardy of the university suggested to the Department of Highways that we spend at least 1 per cent of our total budget on research each year and that that would pay us dividends in the future. We adopted that program. It has paid and is still paying dividends. I would like to see that same policy carried out, not in all departments, but in a lot of the departments, where at least 1 per cent of their budget is spent on research. I think research, properly done, will pay dividends and save us money in the future.

MR. MOORE: Mr. Chairman, the decrease in that particular vote, agricultural societies and research, is all attributable to the fact that we funded from that vote by special warrant last year the entire \$1.87 million grant to the Veterinary Infectious Disease Organization I spoke about in my opening remarks. Actually, one could consider that there is some slight increase in that vote. I'd have to say to the hon. member that we would like to have had some more funds, particularly capital funds, for the development of the research facilities, particularly with regard to the beekeeping industry as well as the proposed Lacombe experimental station. However, I think it can be said we didn't reduce research this year, we held the line with just enough increase to cover increased costs and do what we were able to do last year.

Mr. Chairman, while I don't have the total information, in terms of the communications vote, 1.1.5, which we spoke of earlier, the increase there includes an amalgamation of our publications fund, which was previously in another vote of which I do not have the number.

A display fund, library fund, is for the operation of the library which was previously under another vote. The display fund, incidentally, is the fund used in the department for the development of various displays which you see throughout the province. For example, an alfalfa display which was at the Edmonton Exhibition Association grounds last week was developed by the department and will be utilized throughout the province during the course of this year.

In addition to that, all the postage costs of the

department were transferred to the communications branch. The entire reduction in terms of the financial services load of 31.9 per cent referred to by the hon. Leader of the Opposition is in fact, the postage which was transferred from financial services to the communications branch.

MR. CLARK: Mr. Chairman, just to follow up on the minister's comments. Really, what I want to know is what in the world do we have in this element of financial services? If we can just get a breakdown there, I will assume it is the same throughout all the departments after that.

MR. MOORE: I'll provide a breakdown of the total in the communications budget, but I believe it would help some members to know that in addition to all the things I talked about earlier, it includes a publications fund, a display fund, a library fund, plus all the postage for the Department of Agriculture.

On that particular one, I indicated some of the programs provided under this vote: the daily radio and television programming, news releases such as *Agrinews*, publications of all kinds for farmers and those involved in agriculture, audio-visual productions, assistance in the preparation and the distribution of information provided within the department to commodity groups, farm organizations and other agencies from this fund.

In addition, the library comprises a central ordering and processing of books and subscriptions for the department and for other organizations such as agricultural societies, agriculture service boards, and so on, which would depend on the department for those kinds of publications.

MR. YOUNG: Mr. Chairman, on the same number, I'm trying to understand now whether we're really looking at an increase from year to year or at an amalgamation. I guess my understanding would be helped if I knew for sure, where it says "Comparable Estimates", if the amalgamation of which you spoke, Mr. Minister, is included.

MR. MOORE: Mr. Chairman, the hon. member raises a good point. The Provincial Treasurer may want to speak of it. It would be my view that you can't really say comparable '75-76 forecast, because you're comparing it to a vote that was there before. But, as indicated by our discussion on financial services and communications, we've moved the postage from financial services down to communications, resulting in a 32 per cent decrease. To be absolutely comparable, the '75-76 forecast should have included what the postage would have cost in 1975-76, had it been under that vote.

I think the hon. member is correct in saying that to compare the figures and consider whether there's an increase or a decrease is really not accurate. That's why I say I'll provide information with respect to that communications vote: to do exactly what it does this year as compared to what it did last year, so there can be some fair comparison on that one. It follows that many of the votes are not changed to that extent. So, in fact, you can see from one year to the next exactly what the comparison is.

MR. MANDEVILLE: Mr. Chairman, on the detail level here, [under] agricultural assistance, it's got "other grants, general", \$2,715,000. Then it's got "grants, control groups", \$2,715,000. What are the control group grants, Mr. Chairman? The pages aren't numbered, but it's the sixth page. It's got page 2 on there.

MR. MOORE: The "grants, control group" that the hon. member has referred to, Mr. Chairman, is a total for that entire amount. There are grants to individuals, grants to business, grants to non-profit organizations, et cetera. Other grants are listed as \$2,715,000. That "grants, control group" is just a total. It's identified 003. Now if the hon. member would go down that same page, you'll see the second line from the bottom, 005, "other expenditure control group", \$25,010, which refers to the vote right above there, 004. In other words, they're subtotals throughout that page. You're really dealing with the same figure, and you're reading \$2,715,000 one below the other. It's a subtotal in that Treasury document that came out of the computer.

MR. CLARK: Mr. Chairman, the question is: what are the grants of \$2.7 million for? According to the budget breakdown here, under the codes, "grants, control group", \$2.7 [million], that's really the question the number from the book was referring to. Specifically what are the grants for?

MR. MOORE: Mr. Chairman, I have a list somewhere but not right in front of me. As I indicated in my opening remarks, they include all the agriculture societies grants. Those grants alone total something close to \$2 million. Included in that are the matching grants we've been supplying to the SPCA for the development of animal shelters.

In addition to that, I believe \$500,000 in that vote goes for research and is allocated through a committee to the Alberta Agriculture Research Trust, which in turn takes in funds from the private sector and so on, and allocates them to various research organizations throughout the province.

Insofar as the exact figures on grants are concerned, I indicated there was about \$600,000 for \$50,000 matching grants to ag. societies. A formula is used for Class A exhibitions — Red Deer, Medicine Hat, and Lethbridge — that first of all provides them with \$75,000 each — which in that case would be \$225,000 for the three — plus up to \$3 per capita. In the case of Lethbridge, that would be \$150,000 for capital construction. I don't have the populations of Red Deer and Medicine Hat. There is a similar formula there. In addition, there's \$100,000 each for Edmonton and Calgary — for the Calgary Stampede Board and Edmonton Exhibition Association — within that grant.

MR. CLARK: Mr. Chairman, therein lies the real problem. Under the code breakdown for grants, "grants to non-profit organizations", nothing. It would seem to me that the grants to the SPCA — that's a non-profit organization. When it says "grants to other government levels", it seems logical to me —

and I can certainly be wrong — that that's where the \$500,000 the minister referred to for the research trust would go. What we've got here is simply other grants, which would indicate to me not to individuals, not to businesses, not to non-profit groups, not for transfer to other agencies or other government levels. That's the dilemma we're in. If it isn't going to be those groups, certainly the SPCA would be a non-profit group. It seems to me the agricultural societies might very well be a transfer to one of the other groups.

MR. CHAIRMAN: We'll have to come back to 1.2.2 the next time we meet.

MR. MOORE: Okay, Mr. Chairman. In conclusion, I will try to get a list of ... but I've named them all. In terms of what's in it, that vote is the same as it was last year, the problem being that we did not have — I presume, before this computer printout was printed — the ability to indicate in which areas each of those should be. Most of them would undoubtedly fall under grants to non-profit organizations.

MR. LEITCH: See, here it is over here.

MR. HYNDMAN: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, begs to report progress, and asks leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, a reminder of tonight's business. Subcommittee A in the Carillon Room at 8 o'clock, Department of Energy and Natural Resources; Subcommittee B in Room 312 at 8 o'clock, the Department of the Attorney General.

I move that the Assembly do now adjourn until tomorrow afternoon at 2:30 p.m.

MR. SPEAKER: Having heard the motion for adjournment by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past two.

[The House rose at 5:32 p.m.]

