

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Friday, March 25, 1977 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF BILLS****Bill 23****The Financial Administration  
Amendment Act, 1977**

MR. LEITCH: Mr. Speaker, I beg leave to introduce Bill No. 23, The Financial Administration Amendment Act, 1977. This being a money bill. His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly. The purpose of the bill, Mr. Speaker, is to provide for an increase in salary to the Provincial Auditor.

[Leave granted; Bill 23 read a first time]

**Bill 29****The Land Titles  
Amendment Act, 1977**

MR. FOSTER: Mr. Speaker, I beg leave to introduce Bill 29, The Land Titles Amendment Act, 1977. The purpose of this bill is to clarify the interpretation of The Land Titles Act respecting the filing of caveats. It's intended to be consistent with what the government and the legal community have always understood the law to be in this area. There are other minor consequential amendments, Mr. Speaker, arising out of the loose title system.

[Leave granted; Bill 29 read a first time]

MR. HYNDMAN: Mr. Speaker, I move that the following bills be placed on the Order Paper under Government Bills and Orders: Bill 23, The Financial Administration Amendment Act, 1977, and Bill 29, The Land Titles Amendment Act, 1977.

[Motion carried]

**head: TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I wish to table the Provincial Auditor's report in respect to the Alberta Municipal Financing Corporation, and the financial statements for the year ending December 31, 1976.

DR. HORNER: Mr. Speaker, I'd like to table a document relative to The Public Service Vehicles Act as required by statute.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. DIACHUK: Mr. Speaker, in the absence of the MLA for Edmonton Belmont, the Minister of Advanced Education and Manpower, I wish to take this opportunity to introduce a class of grade 5 students from Princeton school. They are accompanied by their teacher Don Felstad. They're seated in the members gallery. I'd ask that they rise and receive the usual welcome of the Assembly.

**head: ORAL QUESTION PERIOD****AEC Objectives**

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Minister of Energy and Natural Resources. Perhaps it would be necessary for me to give a short preamble.

I direct the question to the minister in light of the notice of the annual general meeting sent to the shareholders of the Alberta Energy Company. In the notice under the heading "Special Resolution", we find that shareholders will be asked to agree to an alteration in the company's memorandum of association. This alteration will result in two major changes. First, the deletion of a portion of Subclause (b) and the phrase "to hold for investment only", which will remove the stipulation that the Alberta Energy Company will be only an investment company.

The second major change is in addition to a number of subclauses which make it clear that the AEC intends to operate as a total resource company. The AEC plans:

to carry on all or any of the [business] of acquiring, exploiting, producing, processing, manufacturing, transporting and distributing natural resources of any nature or kind and the products and by-products thereof;

Therefore it will be able to act anywhere it pleases, in any activity it pleases in competition with the private sector, which is a complete about-face as far as the government is concerned.

I ask the minister, Mr. Speaker, when and how this decision was made and whether the minister was involved in the discussions with the president of the Alberta Energy Company prior to this notice going out to the shareholders.

MR. GETTY: Yes, Mr. Speaker.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. I ask this in light of the minister's answer just now and of the comment the minister made in the Legislative Assembly on December 7, 1973, when he said:

It is the intention of the government that the Alberta Energy Company will not. . . and I emphasize "will not",

. . . compete with private industry in the normal exploration and development programs in the energy field.

Mr. Speaker, in light of the minister's answer today and of the information that's gone out to the shareholders, very frankly it seems that the Alberta Energy Company is making the minister out to be . . .

MR. SPEAKER: Order please. Order please. The hon. leader's first question included a certain amount of debate. The supplementary is going in the same direction. Of course, once a thing like that gets past the chair, in fairness there is no way a minister can be prevented from giving a debating answer.

I would ask the hon. Leader of the Opposition to ask the question directly.

MR. CLARK: Mr. Speaker, then the question is to the minister: is it now the policy of this government to allow a company that it owns and controls to contradict directly the announcement of government policy made in this Assembly by the minister on December 7, 1973? In fact, it makes the minister out, very frankly, to be a . . .

SOME HON. MEMBERS: Order, order.

MR. GETTY: Mr. Speaker, some inaccuracies developed in the manner of asking the question, such as whether the government owns and controls the company. The government owns 50 per cent of the shares of the company.

But, Mr. Speaker, the purpose of the change in objects is to allow the Alberta Energy Company to do what they were able to do through the present objects and through the legislation that created the company, except to do it in a manner which would allow them to minimize their tax requirements to the federal government, as any other company could. To assure the hon. Leader of the Opposition, nothing within the objects or the change in objects changes the mandate of the company as it has been stated by the Premier, by me, or other members of the government and as was carried out in the legislation, in policy statements within the House, the prospectus as it was filed with the people of Alberta, or the letter the Premier referred to the other day in the House.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister telling us that the only reason these changes are being proposed by the Alberta Energy Company, changes the minister has approved, is simply because of income tax advantages for the Alberta Energy Company and its shareholders? Is that the only reason?

MR. GETTY: As I said, Mr. Speaker, it is to [enable] them to manage their tax affairs more efficiently. There may be more efficiency also in entering into agreements, but it does not expand the mandate of the company from that which has been discussed in the House.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister, so there's no misunderstanding of the minister's answer. Is the minister telling us that removing the stipulation that the Alberta Energy Company will remain only an investment company isn't changing the scope of operation of the Energy Company?

MR. GETTY: Mr. Speaker, that's exactly the feature that is going to allow them to minimize their tax responsibilities.

### Trailer Dumping Stations

DR. WALKER: Mr. Speaker, my question is to the hon. Minister of Business Development and Tourism. Would the minister consider encouraging the further development of dumping stations along roadside camps and provincial parks in the province for the benefit of tourists using trailer facilities?

MR. DOWLING: Mr. Speaker, we have taken the position from the beginning that any new information centre developed by Travel Alberta will contain, as far as possible, a complete rest centre, dumping station, picnic site, this kind of thing, as does the Department of [Transportation] rest centre near Wetaskiwin. We now have two dumping stations in Travel Alberta information centres, one at Milk River and one at Canmore.

But the hon. member should know that the private sector is doing an extremely good job in this area. They have, I think, about 50 dumping stations in Alberta. Briefly, Mr. Speaker, about 50 are provided by municipal governments and the balance by departments of government.

### Labour Legislation

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Labour. Could the minister indicate whether the government is considering any right-to-work legislation to prevent large and powerful unions from interfering with the rights of tradesmen and smaller unions?

MR. NOTLEY: Ask the people from Whitecourt.

MR. CRAWFORD: Mr. Speaker, I think the hon. member's question makes a number of assumptions. When speaking of legislation in the House this session I have preferred simply to indicate to hon. members that the present status of the law of Alberta, as it has been for a number of years, does not require a closed shop on the part of either an employer or an employees' organization for any part of the unionized portion of Alberta's economy, which is about 30 per cent. It does allow the parties to negotiate for a closed shop. If the employer and bargaining unit agree on it, that becomes part of their agreement.

As to changes in the existing law, certainly the government's mind is not closed in regard to amendments. They've just gone through two and a half days of public hearings in regard to bills on The Labour Act and have already indicated that we are assessing these. By later this year, no doubt by fall, we will be able to have some ideas to make public and get the feelings of people in respect to them.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister considered conducting an inquiry into the practice of organized labor to determine the extent of abuses of the powers of international unions?

MR. CRAWFORD: Mr. Speaker, I think there is a lot of confusion in the minds of people about the reference to international unions. Although they may, as corporations do, have connections outside the province of

Alberta, most unions are nevertheless primarily units organized by Albertans and are certified under the Alberta Labour Act.

I think the hon. member speaks in terms of an inquiry. The sort of approach we have used in the drafting of legislation is to have public hearings. I found them most useful. I found people responded; between 50 and 60 briefs were proposed. That is the nature of public discussion and debate I think is useful to the government. I would not want to adopt the hon. member's idea of an inquiry, because that suggests something more formal.

#### **Progressive Conservative Convention**

MRS. CHICHAK: Mr. Speaker, my question is directed to the Minister of Housing and Public Works. We know that the hon. minister has been very innovative with his programs, and I would like him to advise us which program is being honored today by the decorative button on his lapel.

MR. YURKO: Mr. Speaker, this button is a sneak preview of the button that's going to be worn by many people in the next couple of days.

AN HON. MEMBER: Hear, hear.

MR. YURKO: The button is symbolic of progress and dedication. [interjections]

MR. R. SPEAKER: Mr. Speaker, on a point of order. We get enough guff about housing in this province; now we're getting guff about the Conservative convention.

MR. SPEAKER: Possibly we could say that the hon. Member for Edmonton Norwood and the hon. minister have achieved their joint purpose, and go on.

DR. BUCK: Mr. Speaker, speaking to that point of order. I think the taxpayer of Alberta has already contributed sufficiently to the PC Convention this weekend. [interjections]

#### **Quebec Investment in Alberta**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Energy and Natural Resources [interjections] that is if the noise to my left stops. Has the new Quebec government made any representations to the government of Alberta in connection with the investment in southern Alberta made by the Bourassa government?

MR. GETTY: No, Mr. Speaker.

MR. TAYLOR: A supplementary. Has the development that was under control of the Quebec government or a Crown corporation there reached the point of production, or is development still taking place?

MR. GETTY: Mr. Speaker, I haven't been in a position to monitor the various operations of individual companies. However — and this subject to checking — [I] recall from information that flows over my desk that the Soquip organization has some productive wells in our province. Other than that, I would have to hear

from the hon. member detailed information he might want that I could provide.

#### **Automobile Insurance**

MR. NOTLEY: Mr. Speaker, just following through — I'm looking at the hon. Minister of Housing and Public Works, but I really don't want to direct a question [to him]. In the light of this event of marginal passing interest this weekend, I'd like to direct a completely non-partisan question, free of any philosophical overtones, to the hon. Minister of Consumer and Corporate Affairs.

Mr. Speaker, the question flows from the fact that in the province of Saskatchewan the auto insurance plan has a surplus; in the province of Manitoba, the Autopac has a surplus; [interjections] and the very favorable . . .

MR. SPEAKER: Order please. The hon. member started with light and now he's in a flow. I wonder if he might come directly to the question.

MR. NOTLEY: Yes, Mr. Speaker, I'll come directly to the point. In the light of the very promising . . .

MR. SPEAKER: The hon. member's light may dazzle the minister. Perhaps he should come directly to the question.

MR. CLARK: It wouldn't be hard to dazzle the minister.

MR. NOTLEY: Well, Mr. Speaker, directly to the Minister of Consumer and Corporate Affairs, without any more "in the light of" but directly "as to": is the government giving any consideration to the introduction of a comprehensive publicly administered automobile insurance scheme so the people of Alberta can benefit as have the people of Manitoba and Saskatchewan?

DR. BUCK: Similar to the B.C. plan.

MR. NOTLEY: Mr. Speaker, I direct the question to the hon. Minister of Consumer and Corporate Affairs.

MR. CLARK: He's waiting for instructions.

MR. SPEAKER: The hon. Member for St. Albert followed by the hon. Member for Little Bow.

MR. NOTLEY: Mr. Speaker, on a point of order, I have directed the question. Is the minister prepared . . .

MR. SPEAKER: There's no point of order. The hon. member's question has been heard at least once.

MR. NOTLEY: Well, Mr. Speaker, a supplementary question then . . .

MR. SPEAKER: It would be difficult to find a way of asking a supplementary question to an answer that hasn't been given. [laughter]

MR. NOTLEY: Mr. Speaker, in fairness to the minister perhaps I could rephrase the question. Is the minister giving any consideration to or have any studies been

done on the comparative advantages of public versus private schemes?

MR. HARLE: Mr. Speaker, there is no intention to introduce a government-operated scheme in this province.

MR. NOTLEY: A supplementary question to the hon. minister. Is the minister in a position to advise the Assembly whether or not the Automobile Insurance Board has compiled statistics on the average increases in car insurance premiums in 1976 in the province of Alberta?

MR. HARLE: Mr. Speaker, I'm sure the board has some statistics. If the hon. member would like details, perhaps he could put a question on the Order Paper.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the Automobile Insurance Board made any recommendations or have there been any discussions between the minister and the board concerning what steps might be taken to narrow the disparity between the rates for drivers over 25 and those under 25?

MR. HARLE: Mr. Speaker, the insurance rates depend on the risk undertaken by the company issuing a policy. It is my understanding that those risks have been worked out over many, many years. In fact the position is that the under-25 driver is not only a high-risk individual from the point of view of frequency of accident but also a higher risk in the sense that claims involving an under-25 driver are, on average, larger than claims for those over 25.

I would add, Mr. Speaker, that the Alberta Automobile Insurance Board did recognize that an individual who has taken a driver training course receives a three-year driving record. In other words, he is being treated as though he has driven a vehicle three years without an accident. This was done in 1974 and results in a reduction in premium of 44 per cent for the beginning driver, no matter whether that beginning driver is under or over 25. In February 1977 the board made a further order that a beginning driver who is accident free but has not taken a driver training course qualifies for a one-year accident-free record, which results in a reduction of premium of about 16 per cent.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Has the minister obtained through the department or from the Automobile Insurance Board any information as to the number of younger drivers — drivers under the age of 25 — who are forced to go to the Insurance Exchange in order to obtain insurance and consequently pay much, much higher rates? Do we have any sort of estimate as to what that would be in terms of numbers or percentage?

MR. HARLE: Mr. Speaker, while the Insurance Exchange was introduced to replace the assigned-risk plan, and therefore had a connotation with the high-risk driver and primarily those who have had accidents or in fact were in the under-25 group, what has happened in the last couple of years has been that

many companies who had rather marginal operations in this province, because of a series of years in which there were losses which exceeded the amount of premiums received, withdrew from the province. This meant an increasing volume of business was going through Insurance Exchange. As a result, I think it caused problems for agents and applicants for insurance, because the Exchange rates were by and large about 5 per cent more than normal business.

I've had many meetings with the representatives of the industry and have suggested to them that it is a concern to me that so many [of] what one would call good businesses [are] going through Exchange. As a result not only of my concern but of others in the industry, the industry is looking at some alternatives.

One of the encouraging factors is the fact that 1976 appears to have been a much better year for them. The accidents were down. Claims may even be down. As a result, the profitability of the insurance companies is such that perhaps we can see a turnaround in the business this year.

MR. SPEAKER: Might this be the last supplementary. A considerable number of members are waiting to ask their first questions.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister then. In light of the minister's final comments about the possibility of a turnaround in the industry, is the minister in a position at this point to give the Assembly any information at all about whether insurance rates are going to change? Have any estimates, predictions, or assessment been made by either the department or the Automobile Insurance Board concerning rates during 1977?

MR. HARLE: Mr. Speaker, the Alberta Automobile Insurance Board would of course not become involved until applications are made to the board for whatever changes are made in the policies. The present status is that because the companies have a profit picture this year, they are dealing primarily with the Anti-Inflation Board. Of course some news releases have been issued by the board relating to insurance companies.

If in fact the profit picture is such that the companies have to make some modification of their premiums this year, whether it is an increase or a decrease, the application for changes of rates will come before the Alberta Automobile Insurance Board for the compulsory part of the Alberta automobile insurance package.

#### Canadian Airborne Regiment

MR. JAMISON: Mr. Speaker, I would like to direct a question to the Premier. It's a follow-up to my question of last Monday regarding the possible and even probable move of the Airborne Regiment from the province of Alberta to eastern Canada.

My question to the Premier on Monday was if he would consider writing the Prime Minister requesting that a delay of possibly a year be given while a complete study be done into this move. His answer to me, Mr. Speaker, was that:

... regard to the advice I may receive from the Minister of Federal and Intergovernmental Affairs as to the effectiveness of such a communication.

I wonder if he has had the chance to speak to the minister, and whether or not a letter will be going forward to the Prime Minister.

MR. LOUGHEED: Mr. Speaker, yes, the Minister of Federal and Intergovernmental Affairs and I had discussions on the matter. Although we recognized that we'd made a number of submissions with regard to the matter in the past, there certainly would be no harm done and the outside possibility of some positive final reconsideration of the matter, so the letter is being prepared by the Minister of Federal and Intergovernmental Affairs and should go to the Prime Minister early next week.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. Can the minister indicate when he made previous representation to the federal department on keeping the Airborne Regiment here? When did the minister start that negotiation?

MR. HYNDMAN: Well, it wasn't a negotiation, Mr. Speaker, insofar as these are federal facilities. But I believe representations have been going on for at least the last 12 months if not longer.

#### Oil Prices

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources with regard to an indication by the federal government that domestic oil prices could increase up to \$2 a barrel. I'd like to ask the minister what the Alberta government's position is with regard to that announcement.

MR. GETTY: Mr. Speaker, I guess the announcements have come in a series of press reports. I heard one that it was going to go up 85 cents, then one about \$1.25, and now it's \$2. My reaction is that it's going in the right direction.

MR. R. SPEAKER: Mr. Speaker, can the minister indicate whether the government's position or objective is to work toward world levels with regard to the oil price?

MR. GETTY: Yes, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister indicate whether he'll represent the government at the meeting on April 6 with the federal minister? Will the Alberta government at that time have a position with regard to the domestic oil price?

MR. GETTY: Yes, Mr. Speaker. But I would like to point out to the House that we feel that the price of Alberta's crude oil is a responsibility of this government. While the federal government has some inter-provincial jurisdiction, there is a need to discuss the matter with them. However, at a full energy ministers' meeting I don't feel that maritime provinces for instance, who do not even buy Alberta's crude oil, should really be in a position to decide what price Alberta is going to sell it for. We think hearing their views on general energy matters is something we go through as a courtesy. But we don't feel in any way

that that kind of forum is the place to decide the price of Alberta's crude oil. I would hear what they have to say. I am sure my cabinet colleagues and I will discuss the matter and carry on negotiation with the federal government.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister advise the Assembly what the present government price is with regard to domestic oil?

MR. GETTY: No, Mr. Speaker.

DR. BUCK: What are we going to get?

MR. CLARK: What are we aiming at?

MR. HYNDMAN: Much more than you ever got.

DR. BUCK: We always had the world price.

MR. SPEAKER: Order please. Order please.

MR. R. SPEAKER: Mr. Speaker, supplementary question as a matter of clarification. Is it the government's intention to have the price per barrel of domestic oil increased in 1977? Would this be correct?

MR. GETTY: Yes, Mr. Speaker. But as I pointed out earlier, to go into details when we are entering negotiations is really not something I think would help the negotiations.

MR. PURDY: Supplementary, Mr. Speaker, to the Minister of Energy. At this meeting on April 6 will the two governments also be discussing the supposed money owing to the native population of Alberta that was taken on the export tax? One reserve in my constituency is making representation to me.

MR. GETTY: Mr. Speaker, that isn't on the agenda. We would have a peripheral interest in it as a result of native people obviously being citizens of our province. But it is a matter directly between the reserves and the federal government.

MR. NOTLEY: Mr. Speaker, if I may put a supplementary . . .

MR. SPEAKER: We're going to have to go on to the next topic. Possibly we could have one short supplementary by the hon. Member for Clover Bar, then one by the hon. Member for Spirit River-Fairview.

DR. BUCK: Mine's been answered.

MR. NOTLEY: Mr. Speaker, my supplementary relates to the question of negotiations. What emphasis is the federal government placing on the so-called blended price of oil in the United States in terms of their position? Along with that, do we have any calculations of the blended price of oil in the United States at the moment?

MR. GETTY: Yes, Mr. Speaker, we have an estimate of the blended price as it stands right now. I should point out to the hon. member, though, that the nego-

tations are for a period starting July 1, 1977, and going for some period of time into the future. We would want to be able to predict as definitively as possible the price there and for that period of time. That's a little more difficult. The new administration in the United States will be making some energy decisions which I think will assist in that regard. I'm looking forward to assessing them as well.

#### **Driedmeat Hill**

MR. STROMBERG: Mr. Speaker, I would like to ask the Minister of Culture if he will be willing to grant the request of the Battle River Tourist Association, the Camrose Chamber of Commerce, the Camrose Museum Society, the Ferry Point Historical Society, the duHamel Historical Society, the MLA, and many others that Driedmeat Hill be declared an historic site.

MR. SCHMID: Mr. Speaker, the Driedmeat Hill historic site, I understand, may be excavated some time in the spring to ascertain whether or not a declaration of an historic site is warranted.

MR. STROMBERG: A supplementary, Mr. Speaker. Does your department hold title to that hill now? Or are you . . .

MR. SPEAKER: Would the hon. member please use the ordinary parliamentary form.

MR. STROMBERG: My apologies, Mr. Speaker.

MR. SCHMID: Mr. Speaker, on recollection I think the title is held by the Department of Transportation.

MR. STROMBERG: One last supplementary, Mr. Speaker, to the Deputy Premier. With the estimated thousands and thousands of yards of good gravel within about a 10-mile radius of Driedmeat Hill, would the Deputy Premier consider strip mining his gravel somewhere other than this historical landmark?

DR. HORNER: Mr. Speaker, we'll certainly take that into consideration.

#### **Weekend Bail**

DR. BUCK: Mr. Speaker, my question is to the hon. Attorney General. In case any of the PCs need it this weekend, can he outline the procedures used to gain bail for persons apprehended for minor offences on weekends in Edmonton and Calgary? It's been brought to my attention that people who commit minor offences have difficulty getting bail on weekends.

MR. SPEAKER: The hon. member is asking a question which it would be easy to hear someone ask a solicitor who's in criminal practice.

DR. BUCK: Mr. Speaker, it's even difficult to get legal counsel on the weekend.

MR. NOTLEY: It won't be at the Tory convention.

MR. SPEAKER: It's to be hoped very fervently that that difficulty will also obtain in the Assembly.

DR. BUCK: Mr. Speaker, the elite will be at the Tory convention this weekend, so it will be really difficult.

Mr. Speaker, can the minister indicate what procedures are in place by the Attorney General's department to allow people to obtain bail on weekends?

MR. FOSTER: Mr. Speaker, just to deal with some of the original shots of the hon. member. My experience is that it's relatively easy to gain the services of both a justice of the peace and a lawyer when needed. It's much more difficult to gain the services of a dentist, however.

If the hon. member has any concerns whatever for the state of my hundreds of colleagues who will be at the Hotel Macdonald this weekend, I'd like to assure him that I will be in the hallways and corridors day and night during that period, happy to answer the questions and concerns of those several hundred Albertans on the subject.

Now if he really wants to concern himself about access to bail by young people on weekends, which I understand was one aspect of his question, I can say that as far as I'm aware bail magistrates — that is, the justices of the peace — are readily available throughout the province. We have tried very hard to ensure that is the case. If there is some specific concern, I'd be happy to check into it. If for some reason that system has broken down, I'd be very interested in hearing where and undertake the attempt to correct it.

#### **School Spring Break**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Education. Would the Minister of Education inform this House if the spring break, which has been changed from Easter holidays for the students — I understand this is going to be in practice in Calgary and Edmonton. Was this in fact a directive from the department, or is this practice going to be followed right across the province?

MR. KOZIAK: Mr. Speaker, under the provisions of The School Act, the board has the authority to set holidays for the students. Certain boards across the province have in fact used this authority to determine that it's more useful, in terms of the program requirements of their students, to provide a spring break which falls in a definite period each year. So a number of boards, probably the majority in terms of the students being taught, have in fact chosen this route although there are boards in the province that provide a spring break during the normal Easter period of the year.

#### **Crop Insurance Program**

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of Agriculture. In view of the light snowfall this winter, indicating the river basins will have some 50 per cent below normal flow and the possibility of continuing drought, is the crop insurance program adequately funded to cover such a contingency?

MR. MOORE: Mr. Speaker, the short answer is yes and possibly not. [laughter] The program is divided into two parts. The government of the province of Alberta funds all the administration costs of the Alberta hail and crop insurance program. As such we budget for anticipated crop insurance claims. If in fact there are many more claims than we expect, it increases our manpower costs considerably in terms of inspection and may result in a shortfall of budgeted funds.

The premium costs for Alberta hail and crop insurance coverage are borne 50 per cent by the farmer and 50 per cent by the government of Canada. Payments of the coverage will always be made in that there is an agreement between the government of Alberta and the government of Canada to provide for a crop reinsurance fund, in which case extra dollars are provided to pay claims in the event the established premium is not sufficient to cover them. Of course in ensuing years it's necessary to adjust the premium upward to repay the crop reinsurance fund.

#### **Algae Study**

MR. HORSMAN: Mr. Speaker, my question is to the Minister of the Environment. It relates to the agreement with the city of Medicine Hat arising from representations to the cabinet in Medicine Hat in September last year with respect to the serious algae problems in the South Saskatchewan River. My question is: has the study been completed, and when may the report be made public?

MR. RUSSELL: Mr. Speaker, the study has not yet been completed. It will be made public as soon as we get it. The department person in charge of it has already indicated some of the initial findings to a public meeting in the member's region of the province, and those were reported in the press this week.

MR. HORSMAN: A supplementary question, Mr. Speaker. In view of the representations made to the public meeting that the problems arise in large part from the release of nutrients into the river at Calgary, is the minister considering action to prevent the release of such nutrients to help relieve the problem and to require the city of Calgary to prevent this type of thing developing downstream?

MR. RUSSELL: Mr. Speaker, I think it's too early to [make] the conclusion put forward by the hon. member. The nutrient count from the city of Calgary has actually decreased this year from the period going back to 1971. The department is still in the process of carrying out further studies with respect to nutrients above and below Bassano. Something appears to be happening there, perhaps related to irrigation and fertilization, that makes it unclear at this time whether the entire source of the problem may be the city of Calgary.

MR. HORSMAN: A further supplementary, Mr. Speaker. Have the irrigation districts between Calgary and Medicine Hat or the Saskatchewan border been involved in the study with the Department of the Environment to ascertain whether irrigation is related to the problems?

MR. RUSSELL: Mr. Speaker, my understanding is that there have been discussions, certainly with the district boards, and I notice advice has been given to individual farmers with respect to coping with the problem downstream from Bassano.

DR. BUCK: A supplementary, Mr. Speaker, to the hon. minister. This may be too specific, but in the minister's studies has he found any correlation with the excess phosphates that come off the farms and irrigation ditches that combine with the nutrients from the effluent? Has the minister had anything brought to his attention or has there been any correlation about the role of phosphates?

MR. RUSSELL: Mr. Speaker, my understanding is that they have established a relationship in the nutrient count related directly to phosphates and detergents that are now marketed, and I mentioned the year 1971. The point the hon. member makes about other fertilizers used by irrigation district farmers is part of the report that is not yet complete.

#### **Ethnic Community Centres**

MR. GOGO: Mr. Speaker, my question is to the Minister of Government Services and of Culture. Is it the policy of the government to encourage ethnic groups to retain their cultural values by such programs as language programs and construction of community centres? [interjections]

MR. SCHMID: Mr. Speaker, the hon. member has the right to ask the question. After all, this is what this Legislature is for. In reply to this question I can only say that Position No. 7 of the government of Alberta, issued in 1972, would be an extensive reply.

MR. GOGO: A supplementary, Mr. Speaker. In view of the minister's answer, have many ethnic-based community centres been opened this year?

MR. SCHMID: Mr. Speaker, it so happens I attended the opening of an Italian ethnic culture community centre in Lethbridge.

#### **Driver's Licence Photos**

MR. COOKSON: Mr. Speaker, I'd like to ask the hon. Solicitor General whether he has any knowledge of charges that have been laid against individuals or groups who have refused to have their picture placed on drivers' licences?

MR. FARRAN: Well, Mr. Speaker, specific charges are really the responsibility of the Attorney General. I only have responsibility for broad-brush policy for the police. The only case of a charge concerning refusal to carry a photograph on a driving licence that I am aware of was in connection with a Hutterite in the Lethbridge area, and this case was eventually withdrawn.

MR. COOKSON: Perhaps I could ask a supplementary to the minister, Mr. Speaker. Has the minister or his department given consideration to perhaps using some other form of identification on drivers' licences in regard to this particular religious group — and

we're talking about the Hutterian Brethren — who feel it is a violation of the Bill of Rights and of their religious principles?

MR. FARRAN: Mr. Speaker, no we haven't. The law has to be the same for everyone, and I just don't feel this is a violation of civic rights. I presume that the group is resting on the literal wording of Genesis in the Bible about not making a graven image, and the same objection would probably apply to fingerprints.

#### **Seat Belt Use**

DR. PAPROSKI: Mr. Speaker, my question is to the Deputy Premier and Minister of Transportation in regard to seat belts. In view of the compulsory seat belt legislation in our neighboring province and in other provinces, and in view of the fact that statistics show a very significant decrease in automobile accidents, morbidity, and mortality as a result of use of seat belts, is the minister now reconsidering such legislation?

DR. HORNER: No, Mr. Speaker. I should point out, though, that the statistics on morbidity and mortality relative to automobile accidents have been coming down across the country without regard to whether that particular jurisdiction has mandatory seat belt legislation.

DR. PAPROSKI: Supplementary, Mr. Speaker. Is the minister's department compiling morbidity and mortality information for evaluation regarding the use and non-use of seat belts?

DR. HORNER: The short answer, Mr. Speaker, is yes.

MR. MUSGREAVE: Supplementary, Mr. Speaker. Could the minister advise if there is a correlation with the reduction in highway speeds in other jurisdictions and the reduction of fatalities?

DR. HORNER: As a matter of fact, Mr. Speaker, the latest statistics I've seen show that 75 per cent of the accidents causing either morbidity or mortality have been in areas where the speed limit is under 50 miles an hour.

#### **Ethnic Community Centres** (continued)

MR. SCHMID: As a supplementary reply to the hon. Member for Lethbridge West, I would like to add that the community centre which was opened there last night was mainly built by the people from the Italian community and . . .

MR. SPEAKER: Order please.

## **ORDERS OF THE DAY**

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

[Dr. McCrimmon in the Chair]

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

#### **Department of Agriculture**

MR. CHAIRMAN: If you would turn to page 39 in your book; Mr. Minister, do you have any opening remarks?

MR. MOORE: Yes, Mr. Chairman, I would like to make a few opening remarks, particularly with regard to changes in this year's budget as compared to the previous year, to indicate some new program areas we are involved in, to explain utilization of staff, and perhaps a brief word or two with respect to our cow-calf support program.

First of all, Mr. Chairman, there are some general areas on which the Department of Agriculture and the government will be placing a greater emphasis than previously. They don't really relate in particular to large budgetary expenditures but are indeed important to the industry. I refer there, Mr. Chairman, to a number of statements made in the Speech from the Throne, particularly with regard to our efforts in matters of tariffs and trade, the kind of things we need to do with respect to developing a more equitable situation between Canada as a trading partner and other countries.

The hon. ministers of Business Development and Tourism, Federal and Intergovernmental Affairs, and I have been involved in some extensive discussions in the development of an interdepartmental task force that will provide us with the kind of expertise we need within government to make the appropriate representations to the federal government with regard to not only the General Agreement on Tariffs and Trade discussions being undertaken in Geneva, but with regard to bilateral negotiations that might be carried out with the United States and other countries.

Secondly, Mr. Chairman, I want to indicate another area mentioned in the Speech from the Throne that we're involved in: this whole business of providing market information to our producers in the beef cattle industry. We recently entered into an agreement with the Alberta Cattle Commission wherein the government of Alberta will be providing by way of grant a considerable amount of funds to the Alberta Cattle Commission to develop a more accurate and timely market information system. It's our belief that the provision of more accurate and timely market information and education holds the key to innovations in the marketing system, as well as improved producer marketing and production decisions.

I'm pleased to report therefore that an agreement has been worked out between the commission and the market information service, an extension program of the Department of Agriculture. This program, Mr. Chairman, will be carried out by the Alberta Cattle Commission in close co-operation with the Depart-



ment of Agriculture. It will provide for a toll-free phone-in market information service, tape-recorded messages updated daily at 10 a.m., 12:30 p.m., and 3:30 p.m. It will provide information covering major Canadian and U.S. cattle markets. A general overview of Alberta's slaughter and replacement trade will also be emphasized.

In addition, the market analysis branch of Alberta Agriculture is co-operating with the commission in organizing a comprehensive extension program to give producers information about the market system and how it works. In the initial year of operation, the province has agreed to provide \$112,000 toward the cost of the program. The market analysis branch of the Department of Agriculture is presently conducting market information seminars, Mr. Chairman, wherever cattlemen show a good interest.

Mr. Chairman, I want to go from there to refer briefly to a new program with respect to dairy promotion which I announced in January at the annual meeting of the dairy farmers of Alberta. Last year within the Department of Agriculture budget, we provided some \$260,000 to assist the dairy industry in this province in advertising fluid milk and fluid milk products. That program was so successful that it resulted in a 6 to 7 per cent increase across the board in the sale of fluid milk. We think it's proper for a government to direct its efforts in this regard, rather than doing as we have done for too long at the national level: simply providing subsidy payments. So in 1977-78, Mr. Chairman, we've told the dairy industry we're willing to double our contribution, as they have done, to some \$520,000 for an advertising and information program across the province that will increase the consumption of fluid milk products.

Mr. Chairman, I want to go from there to talk very briefly about an expanded graduated entry program, a system that allows our industrial milk producers, after upgrading their herds and premises, to get into the business of supplying fluid milk. Graduated entry was introduced in the province in 1974 as part of a national market-sharing program. It provides an opportunity for qualified industrial milk and cream producers to participate in the fluid milk market. Since 1974, Mr. Chairman, approximately 400 Alberta dairymen have applied for graduated entry; 207 were qualified and approved. As of January 1, 1977 we had 942 fluid milk producers in the province, an over 20 per cent increase in the last three years.

The staff of the Department of Agriculture dairy division continue to provide advice and direction concerning improvement in milk quality and the upgrading of dairy buildings and equipment to dairymen who have applied for the graduated entry program. Progress is monitored throughout the summer and fall months, and applicants are approved or denied graduated entry status in a final inspection completed in December of each year.

I want to indicate to the House, Mr. Chairman, that the interest in the graduated entry program this year has increased rather dramatically. Inquiries received since January 1 indicate the number of applicants this year will exceed the number who applied in any of the first three years of the program.

Mr. Chairman, I'm sure the financing programs of the Agricultural Development Corporation are of interest to members. The Speech from the Throne again indicated some changes in agricultural devel-

opment programs. I want to mention only two: a new refinancing program and a new father/son lending program that were recently developed and will be part of ADC lending in the year ahead.

A brief description of the father/son farming program is as follows:

- will provide loans to young farmers whose father or relatives are desirous of assisting them in a substantial way to become established in farming by helping them purchase land within or outside the family holdings.
- will be available to primary agriculture producers who meet the following conditions: who cannot obtain financial assistance from Farm Credit Corporation or other term lenders with reasonable terms; that have a total farm unit which cannot repay a 10-year guaranteed bank loan bearing interest at 1 per cent above the prime interest rate . . .

I mention that because we presently have in place a 10-year guaranteed bank loan program that can be used to purchase land, but we're looking here at a program where the repayment ability is not sufficient under a 10-year program. The individuals must also

- . . . agree to the formation of a farm company partnership or at least a minimal formal working agreement between the various participants in the farm business.

The financial restructuring loan program was brought in because of the number of people who had been applying for financial consolidation or restructuring, people who have loans in three or four different places — sometimes all government loans in that they may have a guaranteed loan for feeder cattle, a guaranteed loan for the purchase of breeding stock, and a direct loan from ADC for buying land. This program is to refinance debts over a longer term where it can be shown that the ratio of short-term to long-term debt is out of balance and is critically affecting the farm's viability because of the annual demands for debt retirement requiring a larger percentage of the net cash farm income. It's available to any primary agricultural producer who is in that situation, provided he has a relatively good history of financial management, cannot obtain alternative financing, and has adequate land and building security.

Mr. Chairman, I want to go from there to discuss briefly the proposal we've been trying to put together with respect to the removal of power lines from irrigated lands. In the question period a week or so ago it was asked how that was coming. I have to say that we have not yet concluded an agreement between the Department of Agriculture, the REAs, and Calgary Power with respect to this program. However, in this year's budget we have budgeted \$100,000 for what we expect to be in the initial year a one-third share of the cost of removing some of these angle lines in particular from irrigated land.

We are continuing to negotiate with Calgary Power. It's been slow. However, it's my hope that before too long we will have reached an agreement with them that will allow the farmer, the Department of Agriculture, and the power company to each pay one-third of the cost of removing some lines from land which is potentially irrigable and that farmers are anxious to get irrigation pivots on to.

I'll move from there, Mr. Chairman, to the swine

industry. Of course I think all members are aware that a decision has been made — in fact tenders have been called for the building of a swine AI centre in Leduc. That's contained, of course, in the capital budget of the Department of Housing and Public Works. Within the budget of the Alberta Department of Agriculture, however, is some \$50,000 for operating the swine AI centre.

In addition to that, we've allocated some \$23,000 in the department budget for an AI training program which is relatively new or expanded in the year ahead. This was designed as a training program for producers. The program will assist approximately 150 farmers to handle their own herds. As members are aware, commercial services have been limited in some areas. Thus it is the feeling that it is necessary and appropriate to provide training to ensure that the benefits of the AI program are available to a good many successful livestock breeders across the province.

I'll go from there very quickly, Mr. Chairman, to the new regional office of the Department of Agriculture in Airdrie which will be moved there from Calgary later this year. In addition to those things that are presently being done out of the Calgary office, that office contains a new veterinary laboratory and a food laboratory. As hon. members know, in that area at the present time, there are not sufficient laboratory facilities, either in the veterinary services end or in the food lab end.

Later on, Mr. Chairman, I will be explaining that all the new people in the Department of Agriculture, the additional employees indicated in this year's budget, are for those two laboratories at Airdrie.

I could go from there very briefly to the forage crop development program. We will be allocating some \$300,000 this year to a new program within the Department of Agriculture that we could best refer to as forage crop development. This program is in response to a fairly significant change in livestock feeding practices and emphasis on a more cost-effective use of available land. It will be operated in co-operation with a number of Alberta forage associations — an example would be the Foothills forage association — and with our universities and some other agencies of government including the lands division. The proposed projects include a variety of [cultivator] testing, forage demonstrations, some breeding and selection work on plants, work on nitrogen fixation, range and forest management courses, and range management demonstrations and trials.

Mr. Chairman, in addition to the forage crop development program, this year we are expanding a new approach that was taken over the last two years with respect to home study courses. Over the past two years we have piloted a series of home study courses for Alberta producers. Originally it began with the Alberta wheat course, which was developed in response to the Alberta Wild Oat Action Committee of which the hon. Member for Lacombe was chairman. This idea has been expanded, and in fact last year we had over 10 per cent of the farmers in the entire Peace River district taking part in a home study wheat control course.

In addition, we plan courses on forage crops, soils, and small acreage management for this coming year. Last year more than 3,000 individuals took part in these courses. As a result of that and the very

favorable reaction we received from farmers to home study courses, we intend to expand that in a rather major way in the fiscal year ahead of us.

Mr. Chairman, I want to mention briefly developments with respect to The Meat Inspection Act which was brought in in 1973, and what progress we're making there. I'm sure hon. members are well aware that the provincial Meat Inspection Act allows operators of abattoirs and slaughter houses to have a provincial inspection program that is much less rigid than the federal inspection in terms of the number of dollars they may have to invest to have an adequate plant. In bringing that program in, we said we would allow operators in this province to April 1, 1978 to meet the minimum standards under The Meat Inspection Act. Of course at that time there were no plants under provincial meat inspection. But toward the latter part of 1973, we did move to having eight plants under provincial inspection — 20 by the end of 1974, 26 by the end of 1975, and 43 by the end of 1976. As at the end of February 1977, which was three or four weeks ago, we had 61 provincially inspected plants across the province. That included some 27 Hutterite colonies, which are largely poultry-killing plants that don't operate on a regular basis. Mr. Chairman, we would expect to have 75 provincially inspected plants by the end of 1977.

You can appreciate that we've had to utilize a number of staff in inspection services in this regard. There have been a number of transfers from other areas of the department into the meat inspection service. In addition, where possible and feasible we are using, by contract, private veterinarians throughout the province.

There's one area of the province, Mr. Chairman, that needs some additional emphasis in terms of getting a number of provincially inspected plants. That's the northwest area or Peace River region of the province where thus far we only have one but would hope to have at least two more by the end of this year.

I could go from there to irrigation and indicate one area where we are placing some increased emphasis this year. That's with regard to the irrigation efficiency and water management, both on the farm and in the delivery system. We've just completed a survey of soil moisture conditions in the irrigated areas. Even with fall irrigation many fields are at 50 per cent of field capacity, due to the kind winter and the dryness we've had. Of course the irrigated farms are not as dry as some in areas where dryland is the way of farming. But no doubt irrigation is certainly an advantage in the kind of year we're having right now.

I think it would be of interest for the members to know that it hasn't been very long since the idea of centre pivots for irrigation came into being in southern Alberta. I'm told that at the present time we have in excess of 450 centre-pivot irrigation systems now installed in Alberta, and they're growing at the rate of about 10 per cent a year.

Mr. Chairman, I could move from there to the allocation of staff within the Department of Agriculture. I believe the department has improved to some considerable extent our staff control system, which through allocation this year will allow us to move approximately 40 positions from one area to another and make better utilization of our people.

Mr. Chairman, I want to go to page 40 of the

estimate book and point out an error made during computerization of the departmental estimates. It occurs at the bottom of page 40 under comparable 76-77 estimates relating to permanent full-time positions. The figure in your book, Mr. Chairman, shows 1,358. More accurately, it should say 1,438 for the year 1976-77. If hon. members refer to the 1976-77 estimate book, Mr. Chairman, they will find that the comparable figure was 1,397. To the 1,397 indicated in last year's estimates we added 28 people from the forage branch when it was transferred to Agriculture, and 13 people who came from the Alberta Export Agency, the Department of Agriculture. So the correct figure should be 1,438 in comparison with last year, rather than 1,358. Just by way of interest, I might indicate what happened. The computer dropped from the rolls 79 district home economists and one staff member of the Agricultural Development Corporation.

Mr. Chairman, if I could just conclude on the manpower situation. We have 14 permanent new full-time positions. They all involve the two laboratories in Airdrie: 8 positions in the vet service lab, and 6 in the food lab. It's difficult to pick that up within the four departmental votes because a number of transfers were made between each area. But the total increase is 14. I'd be happy to explain the transfers made from one part of the department to another.

If I might conclude, Mr. Chairman, with a few brief remarks about the cow-calf support program, as of this morning we've mailed out 9,700 cheques for an amount of \$16,150,000. It is expected that during the first two days of next week we'll be mailing another 11,700 cheques for about another \$19.5 million. We are hopeful that during the course of the next two weeks, we will have all but a very few of those cow-calf producers' support cheques in the mail.

In concluding, I might say a word or two about the cow-calf program. We have not budgeted in 1977-78 for another program such as the one costing \$43 million in the current year. We have, however, budgeted for \$1.5 million to continue the cow-calf producers advance program wherein we pay a portion of the interest if that decision is made.

In commenting on the federal government's program announced January 4 by the Hon. Eugene Whelan, federal Minister of Agriculture, we think that if appropriate changes are made in the way of computing payments under The Agricultural Stabilization Act of Canada as amended in 1975, that program would adequately fill the needs of Alberta farmers in terms of a stop-loss program. However, in addition, it will be necessary for the government of Canada to make the kinds of moves that were outlined in the brief I presented to the Senate Agriculture Committee on beef cattle stabilization. That included such things as quotas on the importation of off-shore beef and quarterly quotas in the movement of beef animals between Canada and the United States.

Mr. Chairman, the only thing I can say, with respect to what I consider an extreme lack of concern and action on Ottawa's behalf with respect to the beef cattle industry in the last two years, is that I have no doubt that if appropriate measures had been taken to control the importation of off-shore beef, our cattlemen and ranchers would be in a much better position

today. I can only conclude from the lack of action on Ottawa's part that there is an apparent deliberate attempt by the federal Minister of Agriculture to bring into being a national marketing board for beef cattle in Canada. It appears, in my view, that that attempt is being fostered by excessive imports of beef into Canada, thereby keeping the price low and leading farmers to believe they should vote for a national marketing board.

I suppose the light in that whole question came last Friday afternoon when producers in the province of Manitoba, who over the course of the last two or three years had been subjected to the same kinds of prices as our producers, voted very soundly — 77 per cent — against the development of a beef marketing board. That's not to say, Mr. Chairman, that some appropriate steps shouldn't be taken to improve our existing marketing system. Indeed the comments I made a few minutes ago with respect to the work we're doing with the Alberta Cattle Commission market information and that type of thing are designed to start the process of improving the existing market system.

Mr. Chairman, those are a few initial remarks. I'd be pleased to answer any questions as we go through the departmental votes.

MR. MANDEVILLE: Mr. Chairman, just a few general remarks on the Department of Agriculture. I want to say in the beginning that I certainly think the minister is going to have an uphill battle as far as the Department of Agriculture is concerned. He has been able to work through various established grants and programs. I think this is very good. However, I think a couple of areas are going to be tough to fight through: the decreased income to farmers, and the drought situation which we might be facing in the province of Alberta. In speaking of grants and programs we've had in the past, I do agree with the new programs the minister just discussed here today. I think they are programs that are not promoting the supply. Some of the grants and programs we've had in the past promote the supply of product, and I don't think this is really what we need.

As far as tariffs are concerned, I think this is one problem that has been facing agriculture and western Canada for many, many years. For example, our tariff on potatoes that we export to the United States is 75 cents a hundred to a certain amount of potatoes; after that, it's \$1.50 a hundred. There's a 75 per cent tariff on all potatoes coming into Canada. It's hard to understand why we don't have equal tariffs on potatoes. We have unequal tariffs on beef as well. Again it's hard for me to understand why we have to face problems such as these.

One of the areas I think it is very important that we do some work on is equalizing western and eastern Canada freight rates. I think at this point, Mr. Chairman, we have a very good lever. With 80 per cent of the oil and gas in Alberta, we have a lever we could use on eastern Canada or our federal government to equalize freight rates for our raw and manufactured products.

I think getting the marketing information out to our farmers and producers is another good area, a step in the right direction. Also, as far as our dairy farmers are concerned, I think it is good not to get involved in the production but to get involved in providing infor-

mation to our dairy farmers. I'm sure they'll be able to administer their own business as well or better than they can if they're getting assistance from different levels of government.

Mr. Chairman, I have to say I appreciate the restraint practised in the budget of the Department of Agriculture. I think this is a step in the right direction, and I hope some of the other front benchers will take this in hand and see that we're spending our money in better areas as far as expenditures are concerned.

I think the first problem our minister is facing will be the decreased net income for farmers. It decreased last year, but it is certainly going to decrease more in the years ahead as a result of the high price of land, the skyrocketing of equipment prices and operating costs, and the input to agriculture in the province of Alberta and all of Canada. We're certainly going to be getting back into another price squeeze as far as agriculture is concerned.

The second problem we and the minister are going to have to face is to come up with some type of overall contingency plan for agriculture. I think drought is going to be one of the factors that's going to make a move in this direction.

As far as storage on our river basins in this province is concerned, I think it should be under the Department of Agriculture, because they have more significant input in this area than the Department of the Environment. I would like to see more of this storage under the Department of Agriculture. For example, we have money to spend on our basins, and the federal government has some money to spend on our river basins. What we're doing at present is spending our time and [money] on studies. I would like to see us getting involved in putting storage on some of these rivers, especially the Oldman River and the Bow River.

At the present time they expect the lowest flow in history on these rivers. It could be from 45 to 55 per cent lower, and we have no storage. For example, the western and the eastern irrigation districts have no storage other than the storage Calgary Power has. They can release some water. We have to depend strictly on the flow of water in these rivers.

The Oldman River, the St. Mary — there is some storage on that river but certainly not enough, with the land we could put under the ditch. I understand there's now land in the Warner area that could be put under the ditch and irrigated if we had storage. Also in the eastern irrigation district we have 200,000 acres that could be put under the ditch. However, we have to have water before we can put extra land under the ditch and irrigate it.

In the western United States right now, in San Francisco, someone who was down there was telling me you can't even get water in the restaurants. The lady the hon. Member for Calgary Buffalo was mentioning wouldn't be able to dilute her brandy if she was in San Francisco because they don't have water. They're rationing water down there and also throughout a lot of the central states. So the storage of water for irrigation is an area that I think we could put some emphasis on, in light of the prospects of a dry year. Also I would think we could spend more money on irrigation. I am a little disappointed that expenditures on irrigation are down slightly. I think this is an area where we could be spending a little

more money.

Another area I think we're going to have to give some concern to is hail suppression in this province. I think it has been working satisfactorily. In the States they've been using cloud seeding, as far as moisture is concerned, and in some states it's been working fairly successfully. So possibly we're going to have to expand, or the minister is going to have to look into some cloud seeding in some areas of the province in the coming year. I think this is one area that might be beneficial for the production of crops this year.

Just a few comments on the cow-calf operation. As I say, I approve of the program. However, a number of farmers, especially young farmers, did get in touch with me in regard to the \$8,000 taxable income limit before they could qualify for the grant. Many of our young farmers had to make land payments, say, over \$8,000. They had to make the land payment, and that was net income. So that disqualified them from the cow-calf grant. I hope we don't have to have this program another year. But if we do, I hope the minister will give consideration to that \$8,000 limit because it did eliminate a lot of our young farmers who had high operating costs and couldn't qualify for the cow-calf grant.

As far as the grant is concerned, I hope we don't have to get involved in it another year. I think some of the areas we've got to put some emphasis on — we can't have oceanic beef coming in here like we did in the past, interfering with our markets.

The one program the federal government came out with that I did approve of was the subsidy to beef producers. For the first quarter they paid \$1.86 on all beef that was marketed. The second quarter, there was no payment. The third quarter, they paid \$3 per hundredweight on all beef that was marketed, and \$2.96 on the fourth quarter. Well this money is going right back into the industry. I think it will help some of the beef producers in this province and filter down to the cow-calf producer.

Here again I certainly hope the minister, in his remarks today that he is not favor of setting up a marketing board for Canada as far as the beef industry is concerned — I was pleased to see it was defeated in Manitoba. I think this is certainly good news to ranchers and producers in western Canada.

Another area where I think we could help our agricultural industry, especially our cereal grain farmers is: at present we have 9,000 carloads of grain between Alberta and Vancouver that aren't able to be moved. I think one of the areas we could assist is if we could clean some of the grain right out on the prairies. We move all our grain, and we move our screenings. Sometimes they're moved overseas. We're paying transportation on this grain to the coast, in some cases to foreign countries. If we were to clean our grain, we could use the by-product here. But the way it is now we have lost the by-product. They use it as dockage. We don't get any return from it, we pay freight on it, and it takes up room in our boxcars and ships. I think we could do some work in this area, as far as the province of Alberta is concerned.

I would like to send out a caution as far as agribusiness is concerned. Our agribusiness failures have not been very pleasant. I still think we've got to promote agribusiness in Alberta, Mr. Chairman. This

is very definite. But if we're going to promote agribusinesses, I think we've got to be certain they're going to be viable and able to operate to the advantage of the industry in the province of Alberta.

I certainly hope the lamb plant in Innisfail will continue to slaughter our lambs, because this is something we need. However, there's no way a plant such as this can operate exclusively on lambs. We have other questionable agribusinesses in the province of Alberta. I certainly don't want to throw a damper on the rapeseed plant at Sexsmith, but it scares me. The reason it scares me, Mr. Chairman, is that I fear we're going to have problems as far as freight rates are concerned. If our freight rates aren't straightened out, the producers involved in the rapeseed plant at Sexsmith are certainly going to have problems.

I think the plant is probably too large for the number of acres we have to supply it. The plant at Sexsmith is not going to have all the rapeseed. Other processing plants are going to get some of it. I certainly hope we don't face the same situation at the Sexsmith plant that we're seeing with some of our other agribusinesses in the province.

Another area where I think we're getting too much supply or too much emphasis or expansion is the dehydrating plants in this province. We're getting too many of them, and our export markets aren't such to keep these plants in operation.

Several days ago, Mr. Chairman, I asked the hon. Minister of Advanced Education and Manpower about the student employment program. I'm hopeful the Minister of Agriculture will have a conference with our Minister of Advanced Education and Manpower and see that the student farm employment program is carried on this year. This program keeps our young people on the farm and, I think, has been very beneficial to agriculture.

With those few comments, Mr. Chairman, thank you.

MR. NOTLEY: I take it the approach we are going to take is to have general comments, then the minister will answer them all? Fair enough.

Mr. Chairman, I want to make a number of general observations on the Department of Agriculture. Let me just pick up some of the points the Member for Bow Valley raised in his comments. First of all, Mr. Chairman, I'd just like to say I thought the information contained in the Annual Review and Outlook prepared by the market intelligence division was extremely useful. It was worth while for members of the Assembly to have this information before the estimates. I think it contains a good deal of extremely useful information.

As one looks over the statistics there is really little doubt that the forecast for 1977, Mr. Chairman, is rather cloudy: net income dropping from \$631 million in 1976 as the preliminary figure, and the forecast for 1977 is only \$498 million. In his remarks the Member for Bow Valley also pointed out some of the declines which are occurring. This information is contained in a more detailed way in the information compiled by the market intelligence division.

Mr. Chairman, there's not a great deal we can do about the prices farmers receive, when one has to take into account that world markets and conditions are going to have by far the major impact on the price

of grains particularly. But it seems to me we can take a look at the operating expense side of the picture.

In looking at the information in the market intelligence division Annual Review and Outlook, I was interested in the increase in some of the costs, everything from property tax to fuel oil, diesel fuel, purple gas, what have you. Mr. Chairman, there has been a rather significant increase since 1972, when prices began to rise. The information contained in this report starts in 1974. That was really after we began to see the tremendous increases in the price of oil. We contacted as a matter of fact a rather interesting source, Imperial Oil. They gave us this information without any difficulty. I guess that means they are good corporate citizens.

In any event, if you take the base price for purple gas and diesel fuel and look at 1972 before the prices began to rise, we are looking at 24.2 and 21.7, compared to March 1977, 46 and 43.4. Now if one computes that across the province, Mr. Minister, we are looking at approximately \$35 million more that farmers will be paying out for fuel needs this year than they did before the price of oil began to rise. That's even taking into account the fuel oil allowance which is made available from the provincial government.

So there is a rather significant increase on the expense side of the ledger. As the Member for Bow Valley indicated, with a net income of \$498 million compared to \$630 million the year before, once again we are beginning to see this old cost price squeeze that farm organizations have quite rightly complained about, almost since the beginning of agriculture in western Canada.

I'd like to move on from that particular topic, Mr. Chairman, to look at the question of agricultural research. I notice in the element book, Mr. Minister, that we are budgeting an increase of only \$3,000 on weather modification for 1977. I am well aware that weather modification is something that splits people right down the middle. I recall the battle in what was at that time the municipal district of Mountain View. There was a plebiscite in 1956, I believe, as to whether or not the municipality would participate in a weather modification experiment. I still remember the rousing debate that split the community in two.

Nevertheless, it does seem to me that, particularly with the growing concern in southern Alberta over the possibility of a period of dry years — and I don't want to suggest that we should be panicking at this point in time but certainly the evidence is troubling — we should not be hindering weather modification in any way. When he summarizes, I'd like the minister to take some time to go into this question of the budget of the weather modification plan. If assurances can be given that this hasn't just had a restraint slapped on it and that it's not hindering the program, so be it. I would be prepared to accept that. But at this point in time with the present concern over changing weather conditions, it struck me as somehow anomalous that the best we could do was an increase of only \$3,000 on weather modification in a budget of \$1.8 million.

Again, I don't want to belabor the point. We've had some scare stories about changing climatic conditions in the Peace River country and the oncoming drought in the south. Certainly as it applies to the Peace River country — I'm coming to that in a

moment — I think we should be opening up new land. But having said that, certainly our general approach in agricultural research must be to keep abreast of changing climatic conditions and, if need be, make a very substantial investment in research.

I was interested, Mr. Chairman, in reading the annual submission to the provincial cabinet by Unifarm this year. On page 3 of the report, Unifarm makes a very strong pitch for agricultural research. They are not quarrelling with the programs in existence. They are simply saying, look, we have a heritage trust fund with over \$2 billion. We've made provision for part of that heritage money to be invested in energy research. Why shouldn't heritage money be used in agricultural research?

They go on to say that we really have the mechanisms in place now; what we need is funds provided from the heritage fund for the current year. When the cabinet determines this year what proposals the government will be making for investment in the capital works division of the heritage trust fund, I would like to suggest to the minister very sincerely that a rather substantial investment in agricultural research from the heritage fund, as proposed by Unifarm, should be considered.

I want to move from there to the question of land use and foreign ownership. The Member for Bow Valley quite rightly raised the concern of a lot of farmers about increased property values around the province, although the evidence would indicate there has been a slight moderation in the last little while. Of course the major reason for this is the decline in net income.

But the market intelligence division report does suggest there may be some problems with our current monitoring system as it relates to keeping a handle on this question of foreign ownership. It suggests, Mr. Chairman, that perhaps we should be looking at improvements in that monitoring process. I would certainly ask the minister to respond specifically to that question. Also, as the Member for Clover Bar raised in the question period last week, while the report doesn't say 4 to 5 per cent, it does say as high as 4 to 5 per cent of the purchases last year could have fallen into the hands of foreign-controlled firms or non-Canadians. Again, Mr. Chairman, that's not the sort of thing that should make us panic. But it is a cause for some overall concern.

In their annual submission, Unifarm once again makes the argument very strongly that we have to develop a land-use policy and be pretty strict as it applies to the use of agricultural land for other than agricultural purposes.

I read the new Planning Act very carefully. I know this is another minister's department, but in the final analysis the question of preserving farmland, at least the political lump, rests with the Minister of Agriculture. I don't believe we're really dealing with that in the new Planning Act. I would ask the minister to take the opportunity in this particular debate to set out clearly the views of the government — not on obvious cases like Dodds-Round Hill, where a decision was made, rightly, not to proceed with the project but to encourage it in a less productive area, but on the rather stickier problem of growing communities where the most convenient area to grow is into productive agricultural land. We can easily resolve a question of a specific project and say, all right, we're

going to shift that down to Sheerness. But it's a little more tricky to deal with Spruce Grove or St. Albert or many of the other communities that are growing quite rapidly but are advancing into productive agricultural land in the process.

Mr. Chairman, the next point I'd like to deal with concerns this overall question of tariffs and trade. Let me just make it clear that I don't believe there's any disagreement among the members of the House, of any political party, over new emphasis on the whole area of tariffs and trade. We're well aware of what happens when agricultural concerns are traded off at international conferences. So in terms of the government's emphasis in this particular area, I'm sure there will be uniform support from all members of the House. Nevertheless, Mr. Chairman, I would like to raise a couple of concerns with respect to the whole question of tariffs and trade in the government's general strategy.

By and large I would argue, from information I've been able to glean from looking over the submissions of the three prairie provinces, that in balance agriculture is better served by multilateral arrangements. Obviously there will be examples where bilateral arrangements are better. No one is going to argue that point. But I'm saying that in Canada, where we have to sell to a world market, in balance agricultural products are better advanced by multilateral trade arrangements so that we can open the markets of the world to our products. [interjections]

That's right, Mr. Zander. In the case of the beef industry for the last three years, I'd be the first to say there's no question that oceanic imports have created chaos in our cattle market. No question about that, and I underline that point.

I'm just saying that if one takes the total picture of agricultural commodities, multilateral trade arrangements are probably better. It seems to me that multilateral trade arrangements also involve rules of the game which would prevent dumping of goods. Frankly one could make the argument that oceanic beef was dumped on the Canadian market. It's almost a case of dumping.

Nevertheless in handling this question I would just register the caveat that we not become so completely preoccupied with bilateral arrangements that we overlook the importance of worldwide reductions in tariffs or delineation of the rules of the game. But as it applies to Alberta working with the other prairie provinces to make the case before our GATT negotiators: right on. As far as I'm concerned, you have my full support on that question.

Now, Mr. Chairman, moving from there to the question of dairy products. We've all seen the advertising. As a matter of fact, the advertising isn't bad. It's quite effective and will probably increase the consumption of fluid milk in Alberta. I would, however, add a question from the Unifarm brief. On page 7 they've made the proposal that the province undertake a provincial school milk program. Has that been considered? That would have a twofold advantage: one, it would obviously increase consumption of milk. Of course the other factor is that for many, particularly children from low-income families, it would ensure at least that there is more milk in the diet than is presently the case.

Moving from the question of dairy products, the advertising the minister mentioned, and the school

milk program that Unifarm has suggested, Mr. Chairman, I want to deal with the question of CEMA and orderly marketing. I'm sure there is no issue where the minister and I would disagree more basically than on the question of orderly marketing.

Before getting into beef marketing and the rights and wrongs of that case, I was a little concerned over the statements the minister made about Alberta possibly withdrawing from CEMA. My understanding, and the minister can correct me if I'm wrong, is that the original quotas for egg marketing boards were based on historical production, and that Alberta has for some time been an importer of eggs. It's also my understanding that the quotas are readjusted on a regular basis — that has been the arrangement in CEMA since its conception — and that there is no law of the Medes and Persians in the quotas assigned the provinces. If the case can be made for a larger quota, that quota will be assigned.

It's also my understanding that egg producers in this province are generally pretty happy with the Egg Marketing Board. The minister pointed to the example of Manitoba, where 77 per cent of the people in a recent plebiscite voted against beef marketing. But it's my understanding that a year ago 78 per cent of producers voted in favor of the Alberta Egg Marketing Board.

So my concern: one, I think CEMA has been a relatively workable solution to what was complete chaos in the egg business five or six years ago. We had the chicken and egg war. We really had an almost impossible situation. I think Mrs. Plumptre and others blew the so-called egg scandal out of all proportion; used it to try to discredit orderly marketing in the egg business and at the same time to try to play games with the producers. As long as Mrs. Plumptre was active in the Food Prices Review Board and latterly, until she resigned, in the Prices and Incomes Commission, she has been taking one swipe after another at farmers in this country, singling them out as largely to blame, as the villains of the piece, which of course is absolute nonsense when one looks at the statistics. If there's any argument at all for this wage and price control program working, it is that farmers have been practically giving away their products and as a result subsidizing the rest of the country.

In any event I think it would be a very serious mistake for us to get into a renewal, if you like, of the uncertainty in the egg business, and I would like a statement from the minister as to where we presently stand on the question of CEMA.

Now, orderly marketing of beef. I can argue what happened in Manitoba. Producers in Manitoba were given an opportunity to vote and by a very large majority turned down orderly marketing. So the government of Manitoba, as I understand it, is accepting that, as they have an obligation to. Producers were asked for an opinion; they registered an opinion.

I would say, however, there were some nuances in that whole debate that perhaps the minister didn't point out. Number one, Manitoba has had an extremely favorable cow-calf program which has really gone beyond the stop-loss feature of the Alberta program. Therefore, the interest in a marketing board would be somewhat less.

I think another factor too is that there was some very important disagreement among the proponents

of orderly marketing. There were people who simply didn't support the plebiscite because they were in favor of a national marketing authority. So their votes were not counted on the pro side of the argument. Nevertheless 77 per cent is a decisive verdict. Even as a supporter of orderly marketing I have to accept that in this particular instance at least the farmers in Manitoba have said they don't want a provincial move in that area.

I really doubt though, Mr. Chairman, even though I know Mr. Whelan is in favor of a national marketing board, that there's any conspiracy on his part. I just don't believe that. Mr. Whelan may be praying a lot. You know, he's praying for the farmers in the drought-ridden areas, as we are in Alberta, and I think he may be praying for a marketing board, but I don't think he is sort of manipulating . . .

MR. DIACHUCK: He's praying for the Liberals too.

MR. NOTLEY: He's praying for the Liberals? I'm sure he is; no question about that. That's one thing Liberal politicians do very well; they pray literally and they prey in other ways as well. [interjections] You can come back any time, Rusty.

But I really don't believe that the Minister of Agriculture is saying, all right, how can we get a national meat authority; well the way to do that is to allow all sorts of oceanic beef in here, push the price down, and then it will force the farmers into a national meat authority. Quite frankly I think the major reason the government has been so free in allowing oceanic beef into Canada has nothing to do with the meat authority. It has to do with this wage and price control program; that's the only way they can make the statistics seem reasonable at all. I think if there were any political considerations it had much more to do with making the AIB look good than any effort on Mr. Whelan's part to impose orderly marketing on Canadian farmers.

Two other points, Mr. Chairman, before I close. I'd like some statement from the Minister of Agriculture on a matter I also intend to raise when we get to the Department of Energy estimates, particularly the Associate Minister of Energy, concerning the development of new agricultural areas in Alberta. I know that's not specifically in the minister's department, but in the Fort Vermilion region, for example, we have just hundreds of thousands of acres of very productive land. And when one looks at the present policy of our lands department there is absolutely no encouragement to open that land up. I think that in a province like Alberta we should be encouraging people, particularly our younger people who want to get a start, to go into these areas of the province that have agricultural production potential. I'm not suggesting that we stick people with homesteads in areas that are going to be hopeless. But that's not the case. The evidence in the Fort Vermilion area and that whole High Level country is that we have available some very, very productive land.

The other point I'd just make in concluding, Mr. Chairman, also relates to a matter the Member for Bow Valley raised. That's the overall issue of grain handling. Admittedly the minister will say, well we're going to wait for the report of the Hall Commission; we've got the initial report of the Snively Commission, and the Hall Commission will go into this in

some detail.

However, there is a pretty good argument that our entire grain-handling system has not responded as much as it could or should to some of the changes that are necessary. The minister well knows that a group of people in the Peace River country have a rather innovative proposal which would see a different concept in grain handling, designed to maximize the conditioning of grain in Alberta and would meet, as a matter of fact, some of the concerns that the Member for Bow Valley raised in his contribution to this debate.

I link their proposal to the overall policy of this government to foster and encourage agricultural processing. We all recognize the need for agricultural processing and support that thrust. We have to make sure markets are there. We also have to try to overcome some of the barriers such as freight rates and what have you. Nevertheless, Mr. Chairman, part of this scheme that I think has real merit is that it would allow us to systematize our agricultural processing, so there is a follow-through from the farm to the ultimate up-grading process through to export. It seems to me it would allow us to begin developing that processing in Alberta which is feasible, and would allow us then to compete on the world market.

Those are some of the concerns I have, Mr. Chairman, some of the specific questions [to which] I would welcome the response of the minister.

MR. CHAIRMAN: May the hon. Member for Sedgewick-Coronation have leave to revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

#### head: **INTRODUCTION OF SPECIAL GUESTS** (reversion)

MR. KROEGER: Mr. Chairman, the hon. Minister of Consumer and Corporate Affairs is out of the House and has asked me to introduce a class from his constituency. I would like to direct your attention to the members gallery where we have approximately 45 students from the Gus Wetter High School in Castor, accompanied by their teachers Miss White and, if I'm reading this correctly, Mr. Baumgarten, and the driver Mr. Kevin James. Would you please rise and receive the recognition of the House.

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

MR. ZANDER: Mr. Chairman, I just want to address a few words and some news for the urban friends we have here who are not too familiar with the farming operations of this country.

AN HON. MEMBER: Careful, careful.

MR. ZANDER: Maybe a little bit of information would go a long way.

AN HON. MEMBER: He's trying to water it down.

MR. ZANDER: Thank you.

I think probably the cow-calf operator in the past two years has had three years of drought. He hasn't been able to function as he could have. Cutbacks in production because of the offshore beef — I think the hon. Member for Spirit River-Fairview and the hon. Member for Bow Valley have touched on that, so I won't say too much. But I think the greatest disparity we have in the farming community of western Canada is in the structure of freight rates to and from eastern Canada. I think those who have been in farming probably have a better idea of what happens. Let me give you some examples, Mr. Chairman.

If I were to buy a tractor in eastern Canada, I would have to pay the world market price, and more, for that tractor. Then in western Canada I would have to pay the freight for that tractor all the way from eastern Canada to, say, Edmonton. The freight could rise anywhere from about \$300 to \$530 on a tractor; the same thing with trucks; the same thing with cars. The same thing also applies to urban people, to the housewife who purchases a deep-freeze, a freezer, or any other commodity required in the home.

Now let's look at the other side. If the farmer from the west wishes to ship a bushel of grain from eastern Canada, he must pay the freight. If he wishes to sell beef alive, it goes there on the basis of a subsidy. The eastern purchaser is subsidized for purchasing live beef in Alberta — let's put it that way. But if the beef was butchered in western Canada, that's altogether a different story.

So what I'm trying to point out is this: an eastern feedlot could purchase beef on the hoof in Alberta, ship it east, and buy barley cheaper or just as cheap in eastern Canada as the feeder can in Alberta, because the freight has already been paid. When he sells it, he doesn't sell it at the price we would have to sell it at the Edmonton yards or plants, or Calgary. He gets anywhere from 4 to 9 cents a pound premium because the freight has already been paid. It has been subsidized by all of Canada.

You've often heard it said, you can't have the pie and eat it. But this time you can have the pie and eat it too, at least in central Canada.

AN HON. MEMBER: Shame.

MR. ZANDER: So I ask all hon. members to consider what the producer in western Canada has to do, under what conditions he has to raise. Mind you, the Montreal market and the Quebec City market are also available to him.

I can recall during the Olympic Games that two freighters loaded with ground beef from New Zealand and Australia were headed for the United States about the same time. The president of the United States said, no we don't want it, keep it out of here. But they unloaded it in eastern Canada. Let me tell you this: the consumer in Canada did not get the benefit of the cheap beef, even though it was offshore, because they still had to pay the price.

Unless the structure of freight rates is adjusted by mutual agreement by the central government, the western farmer will be at a disadvantage for many centuries to come.

I think governments, in particular ministers of agriculture, should not direct what the farmer should grow. The farmer knows best what he can grow. I



can recall some years ago when the federal forage seed program was in effect, when we had too much wheat across the prairies, they directed the farmers in western Canada to raise forage crops, and they'd get paid \$10 an acre for a period of three years. I can recall a farmer I know fairly well down west of Olds who had never taken his combines out of the shed for three years, but when the marketing disparity hit, when the cow-calf operators were in such desperation, he moved his cattle to the plants in Calgary and sold 600 head. He said, if I never see a piece of beef again — I was never raising beef, I was raising grain. So he listened to the federal government.

The policy in itself was short-sighted, because we ended up with more cattle on the western prairies than we ever had before. Then last spring, 1976, we heard the federal government say to farmers in Canada, raise more wheat. They raised more wheat. But you know, some of the farmers haven't sold their wheat from 1975 because there is no room.

So really what I'm saying is this, Mr. Chairman: let's direct our attention to the research of saying to the farmer, now there's a good strain of grain, let's grow that. Let's also direct our attention to marketing. Let the farmer in his wisdom grow what his land is best suited to grow, and let's not direct him to raise grain, cattle. I think most of the farmers who were wise enough at that time in the \$10 federal program and did raise wheat were the ones who reaped the benefit, because there was no wheat and wheat went up to \$4 a bushel.

Then of course we have the old bugbear with us, the closure of country elevators. It may be said that it may be necessary to do this. Maybe the economics are not there to keep these small elevators open. But let me say this: in the rural areas we have no roads that are capable of carrying 600 bushels of wheat to an internal elevator in one truckload. There's no way. The cost of moving grain in less than 600-bushel lots would be very expensive for the producer.

Hon. members have mentioned — I think it was the hon. Member for Bow Valley — it's very important that we head in a direction of cleaning our grain before it leaves this province, that we have as soon as possible a central cleaning of grain in the province. We can utilize our screenings or sell them as we see fit.

I just want to touch on one other thing, Mr. Chairman. The hon. Member for Spirit River-Fairview made two remarks. He said the gas in 1972 was 24.2, and I think the diesel fuel — he did not say, but I assume it was diesel fuel — was 21.7. Then he went on to say that Imperial prices now were over 40 cents. I wonder if the hon. member included in that price the 10-cent federal excise tax that is still on. Or was it deducted? I don't know, but I mean this is a matter that can be handled differently.

MR. NOTLEY: I can answer that. That's exclusive of; that's not included.

MR. ZANDER: It's not included. Thanks.

Then of course we have to look at the subsidy this government paid on the 8 cents per gallon transportation costs to the farmer in the province of Alberta. I think the last time I saw the figures, and I stand to be corrected, they were near the \$13 million mark. I would hope that if the price of farm fuel goes up the

government give consideration at least to increasing this, because other than that, with the increase of farm machinery prices and parts — and it's very interesting to note what one gentleman mentioned to me in the hotel just a few days ago. He said the average price for mechanical services at a garage he mentioned was \$18 an hour. Not too many farmers can stand that kind of cost today. I think probably we will have to look at farm costs down the line. If you buy a tractor by parts, a \$10,000 or \$20,000 tractor will probably cost you \$50,000. No reflection on the hon. member, who is also a farm implement dealer.

Finally I want to mention that when we say we want to save all the farmland, I agree with that. The excellent farmland we have surrounding the cities of Edmonton and Calgary is some of the prime land in western Canada. We say we want to save this.

The hon. Member for Spirit River-Fairview said we should open up more land. Well I can recall that a few years ago they said we could do away with at least 80,000 farmers, had too many farmers in Canada. Now I think there is something wrong with that kind of reasoning. I think we should save our prime soils. I think we should put our subdivisions in the poorer soil areas of this province and at least save some of that prime land.

I'm thinking of the land just north of the city of Edmonton. It is absolutely prime land. It's some of the best land this country has ever — where there are feet and feet of black soil. And yet we find it going under cement.

To my honorable friend from Spirit River-Fairview, maybe we should leave that up there in Fort Vermilion open. But I think we should start thinking about where the subdivisions occur. They should not occur on that prime land, because I think 50 years from now maybe we'll have to take a look at what past generations did, not to keep this good arable land for future generations.

Thank you.

MR. MOORE: Mr. Chairman, first of all, with respect to some of the remarks made by the hon. Member for Bow Valley, his remarks were generally of a nature expressing his views with respect to a variety of issues. But there are perhaps some areas I'd like to respond to.

First of all, to talk about this business of net income as it's projected for 1977 in the booklet prepared by the market intelligence division of the Department of Agriculture. Mr. Chairman, this also applies to the remarks made by the hon. Member for Spirit River-Fairview. I want to say that this review and outlook was prepared after the annual outlook conference in Ottawa, which provides an outlook for the entire nation which is broken down as well by provinces. It was our view that that outlook was not as accurate as it might have been, although it was reasonably close to what we have here. Aside from relying on the Ottawa outlook, we thought it would be beneficial to do one ourselves so we would know what was likely to happen in Alberta.

The review and outlook we've done is more optimistic than the Ottawa one, in that the decrease in net farm income is not quite as large. That is accounted for by the fact that they did not take into consideration such things as the cow-calf support program, which actually puts \$43 million into the net

income situation, because at that time they weren't aware of what it was going to be. They did not take into consideration our farm fuel transportation allowance program and a few other things they simply missed in calculating what the net income might be in Alberta.

But I have to remind hon. members, Mr. Chairman, that this business of fluctuating gross net incomes in agriculture which has occurred from time to time because of increases in supplies and resulting lower prices is nothing new or unique for this province, this country, or any other part of the world. The up and down trend has always been there in many, many of our commodities. What is important is not what happened in 1976 or 1975 perhaps, but an average of what happens over a period of time, particularly with respect to grain farmers and to some extent to cattle producers. In years of good net income you are able to make some extra purchases with regard to machinery and so on, perhaps make extra payments on mortgages and that kind of thing. In years of low income you simply defer those purchases and those kinds of expenditures.

Over the period from 1972 to 1976 inclusive, the net farm income in this province was more than double what it was in the five-year period before that. Mr. Chairman, I think it is important for us to look at that area, because you can't plan agriculture programming, net income, expenses, and returns from the sale of agriculture products on a single-year basis. You have to look at the trends and, in developing agricultural policy, you have to look at what you can do to bring that trend upward in terms of net income.

The hon. Member for Bow Valley talked about drought, dams, and water storage. I think we're all well aware that aside from the rain-increase programs being carried out in some parts of the country there is really nothing you can do on a short-term basis. But indeed the entire irrigation development program from the heritage savings trust fund is designed to assist us over the longer term, providing further dams and water storage. Quite frankly, Mr. Chairman, I think the division of responsibilities between the Department of Agriculture and the Department of the Environment in that regard is an effective way of developing our irrigation system. Certainly our two departments, Environment and Agriculture, have worked very, very closely together since the development of this program two years ago. I have no doubt that under the two-department structure of developing water storage and servicing our irrigation districts we will be able to do an effective job.

Insofar as the irrigation division is concerned, the hon. Member for Bow Valley mentioned some reduction in funds there. Almost all of that reduction, if you refer to the printouts, is in the area of capital requirements for the purchase of equipment and so on. Our needs this year are reduced from a year ago because we did that purchasing in the budget we are currently in, I guess it was. Really we're not cutting down at all on services supplied through the irrigation division, but rather on some smaller expenditures because of fewer capital requirements.

The only other thing the hon. member mentioned that I'd like to respond to is this business of agriculture processing. I have to say that I'm much more

optimistic and not as afraid as the hon. Member for Bow Valley about such things as the Sexsmith rapeseed plant and the number of alfalfa pelleting plants we have in this province.

Mr. Chairman, for the member's information I'd like to say that in its third or fourth month of operation the Sexsmith rapeseed crushing plant is in fact making a small profit. For the 3,200 farmers who have put up more than \$6 million in investment in that plant, I think we can only say it's a tremendous effort by a lot of people to assist themselves in solving some very difficult problems of transportation, to assist themselves in having a competitive market atmosphere that didn't previously exist in that area.

I'd like to inform members of the Legislature who aren't aware of the situation with regard to marketing rapeseed in the Peace River country a year ago that in January 1976 you simply could not sell rapeseed in the Peace River country to any of the people there with plants that could take it. The Alberta Wheat Pool, United Grain Growers, Cargill — practically all of them were saying, I'm sorry, we don't have room for rapeseed, we're not shipping it. Mr. Chairman, the figures with respect to the amount of rapeseed that was moved out of western Canada last year are not very much different than for 1977. It was moving, but it was moving from other areas. So the Sexsmith rapeseed crushing plant was opened and began production in November 1976. We now have no less than six very, very active buyers in the area searching for rapeseed and paying competitive prices. Quite frankly — I don't mind them hearing me say it — it wouldn't exist if there wasn't that competition being provided by that plant.

Mr. Chairman, just on that subject, the hon. Member for Spirit River-Fairview talked about agricultural processing, and the hon. Member for Drayton Valley talked about cleaning grain on the prairies and the variety of things we can do and are trying to do to improve our position there. Surely one of the things that has to be done is to fully refine our product on the prairies and thus not be in a position where we need so many boxcars to haul raw and unprocessed grain.

In the case of the Peace River district, the Sexsmith rapeseed crushing plant will take about 6 million bushels of rapeseed a year. That's 6 million bushels that don't have to go through the traditional country elevator handling system. If we can be successful in developing a malt plant in that area — and we're still trying — we'll have another 6 to 8 million bushels of grain that won't have to go through the traditional elevator system.

While I'm on that subject, I might say that there is some debate today — and there will continue to be over the course of the next while — about whether or not we're going to follow the traditional pattern in Canada of cleaning all our grain and marketing it in that manner to our trading partners around the world. Surely it could be said that it doesn't make much sense to clean barley for shipment to Japan in Vancouver, then turn around and pelletize the screenings and send them in the next boat to the same country. In fact that is what's happening on occasions. It may be that down the road we won't do as much cleaning as we're doing today, even for export movements. So I have cautioned groups involved in development of high throughput or inland terminal

elevators with large cleaning capacity to take into consideration what might occur in the future. That's just one thing I think it's important for all of us to know.

Mr. Chairman, if I could go to the remarks from the hon. Member for Spirit River-Fairview with regard to the net income outlook. I covered some of them in my earlier remarks. I want to talk, though, about the operating side and the farmers' operating costs in fuel prices. Admittedly — and for very good reasons — we've moved the price of crude oil up to where farmers in Alberta today are paying roughly twice what they paid in 1972 for a gallon of diesel fuel, all things taken off.

Well I don't have to explain to the Assembly, Mr. Chairman, what that has meant to the province of Alberta. Surely we had to get those crude oil prices up and our royalties up, so we could do the great variety of things we're doing to assist in the area of the family farm. Our entire property tax reduction plan, our 8 cents a gallon farm fuel transportation allowance program, our \$43 million for the beef cattle industry — and I could go on and on — just couldn't have occurred within the same income tax structure we have in this province today if it were not for the increased royalties provided through that increase in crude oil.

There just isn't any doubt that even though farmers are paying more for fuel oil, the benefits both today and over the longer term . . . We talk about taking money from the heritage trust fund for agricultural research. That is a good objective and one I'm happy to see is supported by the hon. Member for Spirit River-Fairview. But how could we have money, \$200 million, for irrigation? How could we have \$25 million for the development of grazing reserves in northern Alberta? How could we have a health sciences centre in the city of Edmonton, serving all the province, if we didn't have those additional increases in royalties on the price of crude oil?

I want to move now to what it really means to Alberta farmers. It's really not all that important what we pay for input costs in Alberta. What is important is our comparison with other provinces and other countries, because it's a competitive business we're in. If farmers in this province, through government programs such as those we've implemented, are able to keep their input costs lower than anyone else's, or as low as anyone else's, I don't think we have a problem.

I don't believe we should subsidize fuel or any other prices to the extent that we have an abnormally low cost compared to other provinces or other countries. Because surely that will result in building some inefficiencies into our agricultural enterprise, just as it would result in building inefficiencies into any other enterprise. There's no question that in 1977 the farmers of this province purchasing fuel oil have the lowest price, on average, of any in Canada. No question about that at all. That has occurred because we have an 8 cents a gallon transportation allowance. The only other province that has a scheme of that kind is Saskatchewan, and in the last budget they reduced theirs, I believe, to 5 cents.

Mr. Chairman, if we could move from there to the weather modification program. Three years ago — I guess we're in the fourth year now — we began a weather modification program that brought together

the practical and research sides of weather modification. We said at that time the government of Alberta would fund the complete costs of weather modification for a five-period period. We made that move as a result of the committee, chaired by the hon. Member for Camrose, which studied hail and crop insurance and weather modification during 1972. It was our view that because of the controversy surrounding weather modification it was not possible to ask rate-payers or farmers receiving [the] advantage of hail suppression programs to share in costs.

That five-year period will end in 1978. It's been my objective to ensure that during that period we don't make such significant changes in the program that we've lost the results of any research that might be available. Because, Mr. Chairman, there is still a debate — and probably it will continue for a long time — over the effectiveness of hail-suppression and rain-increase programs. The northern states of the U.S. which have been involved in this for a number of years are suffering under the same kinds of problems we are: not enough accurate scientific or practical data that can lead everyone to conclude we're on the right track.

For that reason, Mr. Chairman, and for others, in 1977 we're not in a position to go into a rain-increase program. We just don't believe the requirements needed to set the program up, in terms of technology and so on, are sufficiently in place for us to embark on a new program in a very short period of time.

In addition there is, and will continue to be, a considerable amount of concern with respect to jurisdiction in terms of weather modification. We have had some brief discussions between the government of Canada and the government of the United States with respect to jurisdiction, because we cannot say with all assurance that weather modification programs in Alberta may not affect someone in Saskatchewan or Manitoba down the road. That's another issue that has to be dealt with.

In concluding on weather modification, I could say that in 1977, and again in 1978, we will be doing everything we did in 1976. At the end of the five-year program, it's my intention to consider whether we would extend it one year. Because we're not able, over the course of a period of two or three months, to get the results. In other words, the results from 1978 will not be known until about September 1979. So maybe after some consideration we would extend that five-year program to six years.

The challenge before us at that time will be to decide whether or not we should expand the program into a full-scale, practical hail-suppression and, perhaps, rain-increase program. If that decision is made, how should it be funded? Should it all be from government funds? Should the people who receive benefit by way of less hail on their crops be sharing in some of that cost?

If we could go from there: earlier, I mentioned agricultural research. Mr. Chairman, I simply say that I appreciate any support from the capital projects division of the Alberta heritage and savings trust fund given to funding agricultural research projects that will assist the farmers of this province.

I don't know, Mr. Chairman, whether we should get into a very expanded debate here with respect to land use, but I would like to say it's my view that the new planning act that was introduced does provide for

very effective land-use control in terms of agricultural land. That isn't spelled out in black and white in the act, partly because we have a very large province with a number of regional planning commissions and an even greater number of municipal planning commissions. Our view is that there is such diversification in this province and such differences — for example, between the areas of High Level or Fort Vermilion where we may want to expand our agricultural land or our small towns, and the areas surrounding metropolitan areas like Edmonton or Calgary — that it's difficult, if not impossible, to write into an act a land-use planning program for the entire province. Quite properly I think a lot of those decisions need to be made within the jurisdiction of regional and local planning commissions. I assure you the Department of Agriculture, and I as minister, will try to have some influence on how those decisions are made.

In terms of trade and tariff matters, I'm pleased that members support the kinds of steps we took in getting together with the other three western provincial governments and presenting a united front to Ottawa. Mr. Chairman, I don't believe that the hon. Member for Spirit River-Fairview did other than fairly strongly support the kinds of initiatives we're taking with respect to trade and tariffs. Indeed the document tabled some weeks ago by the Minister of Federal and Intergovernmental Affairs is entitled Agriculture in the Multilateral Trade Negotiations, and we're making a determined effort with our colleagues in the other three provinces to try to move the direction of the government of Canada in those negotiations to a position more favorable to western Canada's agriculture.

But in addition to that, we cannot isolate ourselves from the fact that from time to time there are indeed a number of bilateral negotiations that affect us. A lot of the bilateral negotiations are not subject to a great deal of discussion at the talks currently going on in Geneva. By way of example I might refer to some of the non-tariff barriers that exist. Certainly we have some difficulty because of health inspection requirements in shipping processed meat from Alberta into the United States. I believe a couple of years back an entire truckload of meat went north to the Alaska border and was turned back for some small reason. At that time an effort was made to try to locate a U.S. inspector in one of our major cities of Edmonton or Calgary, so when those truckloads of meat left our province we would know they wouldn't travel 1,500 miles and then be turned around at the border and sent back.

In addition to that, there are things like the refusal by the U.S. Food and Drug Administration to allow rapeseed as an edible oil in the United States. Those have to be the subject of bilateral negotiations. We intend not to pursue without any reference to multilateral, but to pursue bilateral negotiations at the same time as multilateral negotiations are proceeded with.

The other thing I think it is important for members to know is that Canada as a country is a pretty small part of the international negotiations going on in Geneva under the General Agreement on Tariffs and Trade. On the other hand it's probably much easier for us to make our points and get some action if we're dealing directly with our neighbor to the south, with Japan, or with some other country than when one of

a group of 70-odd nations.

I could move from there, Mr. Chairman, to the comments of the hon. Member for Spirit River-Fairview regarding a school milk program. We've discussed that. We've discussed how we could get more milk into the schools and consumed by our children. We're moving on a number of fronts. One of the problems in the dairy industry is that for years they took the attitude that fluid milk in its traditional containers was a good and wholesome product and you shouldn't do anything to change it to make it more attractive to children . . . except somebody decided some time ago it's all right to make chocolate milk. There is a lot of opportunity and room within the industry to come up with new and innovative ideas. I said to the Dairy Farmers of Canada in Calgary a year ago that I didn't see anything very new or dynamic about selling dairy products in the last 25 years. It was possibly time we took a leaf from the advertising page of the soft drink and breakfast cereal people and did something about making packages of milk as attractive as soft drinks are. Maybe then we could get the soft drink machines out of the schools and get some milk machines in.

In that regard we've been working with the industry in Alberta on the development of what we call ultrahigh-temperature milk. It's possible now, and it's taking a considerable portion of the European market, to package fresh milk in a container under what we refer to as ultrahigh-temperature so that its keeping qualities extend shelf life up to three or four months with normal refrigeration. They've also developed a number of different flavors under that program so it's attractive to young children to buy and drink milk flavored a variety of ways as opposed to soft drinks. I have no doubt that a plant of that capability [inaudible] one of our existing dairy manufacturers or processors in this province will be making and marketing ultrahigh-temperature milk in a variety of flavors before too long.

The other area I'd like to touch on, Mr. Chairman, is the business of how we market our products. I want to say at the outset that the hon. Member for Spirit River-Fairview and I have different ideas of the definition of orderly marketing. I like to refer to the two different concepts as state-controlled marketing and free marketing. I don't believe it necessarily follows that all marketing done outside national or provincial marketing boards is not orderly marketing. I know the term has been used, but it's simply not correct.

I need to give a brief explanation in terms of the Canadian Egg Marketing Agency, Mr. Chairman, because there is some confusion [over] what I said a month ago about withdrawing from CEMA. The situation really is . . . I believe the figures are correct. Something just in excess of 8 per cent of the Canadian market is allocated to the province of Alberta. Our provincial board distributes that quota among our egg producers. The egg producers fall into two categories: those with flocks under 200, called unregulated, and those with flocks of over 200, called regulated. We don't have any problem with the number of layers in our regulated flocks. We know that figure.

On the other hand, the number of layers in our unregulated flocks has been a subject of debate between the Canadian Egg Marketing Agency, the National Farm Products Marketing Council in Ottawa, and our provincial board. We did some surveys over

the course of the last few months, and it was our view that the number of unregulated layers in those flocks was somewhere in the order of 60 per cent of what CEMA was saying. I should explain, Mr. Chairman, that the quota is not based on the dozens of eggs produced but rather on the number of laying birds. So it's important we agree on how many we have. Well it took a number of months to get CEMA even looking at our figures and determining how we arrived at them. The way they arrived at the figures: the number of chicks placed in Alberta as layers. We know that a lot of them never lay anything but go to the slaughter house, or something happens to them.

At any rate I was frankly fed up with the slowness of CEMA on moving with us to determine how many unregulated layers we had. As the months went on, our imports of eggs into Alberta grew from 1,000 to 5,000 cases per week, not because we didn't have our percentage of the quota but simply because we couldn't agree how many hens we had in the unregulated flocks.

About four weeks ago a count of the number of layers in unregulated flocks was complete, and the figures were about as we had said. That count was done jointly by Agriculture Canada, CEMA, and ourselves. We have about 60 per cent of what they said we had. So now those figures are going before the Canadian Egg Marketing Agency. Hopefully they will very quickly make an adjustment in our quota. My comments were that if that kind of situation continues, if we're going to be denied our fair share of the egg quota because they won't recognize somebody's count in terms of our unregulated flocks, then we would have no choice but to withdraw from CEMA. That's not saying anything derogatory about the operations of the Alberta board. Quite frankly, I think they've been doing a pretty good job. But as soon as you move these things from a provincial board to a national board you run into just the kinds of problems I'm talking about. The slowness of adding additional quota and so on aggravates us to the extent that we don't have any choice but to say, if that's the way you're going to operate it, we as a province would rather run our own board.

I move from there, Mr. Chairman, to just a couple of other items with regard to the development of new agricultural lands mentioned by both the hon. Member for Drayton Valley and the hon. Member for Spirit River-Fairview. There is no question that the hon. Associate Minister of Energy and Natural Resources responsible for the lands division — and he will likely expand on this in his estimates — is doing an excellent job of trying to bring all the factors together that make up a decision to open up new and additional areas.

It isn't just as simple as saying, here is some homestead land and here's a township we'll open. We have to consider so many things: first of all highways are most important, and schools, services to those communities, provision of electric power through the REAs, provision of natural gas through the gas co-ops, and so on. In certain respects I think we've come a long way [toward] making it easier to do that. The program of interest-free loans to REAs for any tap over \$2,500 in costs is certainly one area where we've made it much more possible to open up some areas that aren't immediately adjacent to electric power. Indeed I think a good degree of co-

operation is developing between the departments of Agriculture, Transportation, Utilities and Telephones, and Energy and Natural Resources, lands division, in a joint effort that will allow us to expand in an orderly fashion.

I might say as well — and I'm sure the hon. minister responsible for the lands division could provide better figures — that last year in the south half of my own constituency, more than 100 new agreements were entered into on homesteads. So there's a lot of land. Mind you, most of that is adjacent to or near areas that are already settled. But over the last year or two a lot of land has been provided to people who want to farm. As a matter of fact, it has quite naturally made it difficult to keep up with respect to roads and other services.

Mr. Chairman, I think I've touched on most of the items mentioned by the hon. members — perhaps there's one I didn't. That's this matter of feed grain prices and the Crow rate, and the supposed problem of feeding cattle in western Canada because of that imbalance. Indeed a number of factors there leave us not in as good a position as we might like to be. I would like to say, however, that if the federal government would follow the outline given by the Minister of Transportation in this Legislature two weeks ago about what we should do with the national transportation system, a lot of our problems would be resolved.

I would like to say as well that there is some onus on producers in this province, cattle feeders and hog feeders, to do something to help themselves. Some time ago I said to the Hog Producers' Marketing Board, the Alberta Cattle Commission, the Western Stock Growers' and the Cattle Feeders Association [that] I would be prepared to assist in developing some kind of system in this province whereby the grower and user of feed grains could get together more easily to make their own exchange. I don't believe it's necessary that our feed grains should go through the elevator system, paying 12 or 14 cents a bushel extra when the grower and user are not that far apart.

I would certainly be pleased if those organizations would consider what we might do on a provincial basis to provide some kind of exchange, whether it be a government registry, an information system, so that people knew where feed grain was available. That in itself would certainly go a long way [toward] reducing feed grain costs.

DR. BUCK: Mr. Speaker, I would just like to bring one or two matters to the minister's attention. The minister was speaking of some of the homesteading areas being opened up, even though there aren't that many. Some of the things we've done in the past make me wonder — and "past" is not just in the last decade or so, but from the time we started the original homestead act. Maybe some consideration could be given to leaving native trees around a township, a quarter, or a half section, what have we, to try to cut down wind erosion. It seems it's only people who would do things as foolishly as we seem to have done in the past. We go and knock all the trees down and then spend millions of dollars raising trees so we can put the shelter belts back where the good Lord put them.

So, Mr. Chairman, and to the minister, I would just like to know if any consideration has ever been given

by a minister or government to taking a look at leaving some native trees around a certain large amount of land to not only try to cut down wind and soil erosion but also leave some area for habitat. I'd like to know if the minister has addressed his mind to this. It may not be an important thing, but on the other hand I think it's something we, as the human race, have a responsibility to look at. I would like to know if the minister has considered any of this at all.

MR. MOORE: Mr. Chairman, with respect to Crown land, I think that probably should more properly be addressed to the Associate Minister of Energy and Natural Resources. If you ask me if I have addressed my mind to it personally, I'll bring in an air photo of my farm and you'll see that I have.

I can only say that quite frankly I have been disappointed over the years at the number of farmers who've completely stripped the trees off their land. I would hope that a lot of them would take into consideration the kinds of things that happen when you don't have any trees. Perhaps a program to fly farmers from northern Alberta to southern Alberta when the dust storms are on might make some difference, but certainly there needs to be more attention paid. To a large extent the onus is on farmers and people who are homesteading to leave adequate brush cover themselves, largely to prevent soil erosion through wind and water, but also to provide some habitat.

DR. BUCK: Another question to the minister in light of the fact that this may be a dry summer. But as a newspaper article said in Saskatchewan, we haven't had a crop failure in March ever since we started farming. I would like to know from the minister if he is aware of some of the programs going on, especially in Australia, where they are looking at large dugouts. [Is he] encouraging their use, even in areas in northern Alberta where we get sufficient rainfall, so that one can irrigate a quarter section from spring runoff? Has the minister addressed his mind to this, and are any studies being conducted on this?

MR. MOORE: No, Mr. Chairman, I don't believe we've conducted any studies in that regard. Certainly that's one of the things we could do with some of the funds. I've said to the irrigation council that we would expect to spend some funds from the heritage savings trust fund dollars in that area which might rightfully be described as research.

I suppose, Mr. Chairman, one of the difficulties is that the provision of large dugouts and the collection of runoff water in areas that need to be irrigated is much more difficult than in areas that don't need irrigation. And there is a cost plus factor where, when we reach a certain level of rainfall, we can produce crops sufficient that the cost of irrigating is above and beyond the returns that come from it presently. So I guess what I'm saying is that it will be easy to do what the hon. member is suggesting in parts of the province where we have upwards of 15 inches of rainfall. But where we get below that, down to 10 or 11 inches, it becomes more difficult to make that project work. But it's certainly something we could consider.

DR. BUCK: Mr. Chairman, to the minister. I know this is not his department, but the federal program where

they were giving farmers assistance with dugouts — does the provincial government have a similar program? Have they considered going into a program for dugouts?

MR. MOORE: Well, we've had a program under ARDA III, which is a joint federal/provincial program. That program expires on March 31 of this year, but there is provision in it for an extension of the existing agreement. In all likelihood that's what will occur. It has within it some provision for water supply on farms we've used over the course of the last three or four years. We've been involved quite extensively as well in the dugout program which pays so many dollars for the digging of dugouts. It's been a good program, but I think in most areas we've come close to fulfilling the need in terms of livestock watering, and that's what it was for, not irrigation.

DR. BUCK: Mr. Chairman, also on the matter of water. I'm sure the Department of the Environment people are probably the ones to ask about this, but I would just like to know if the minister can indicate if the farming population is making use of the survey of potable water supplies carried out by the Department of the Environment, for farmers drilling holes in the ground for potable water? Are the farmers making use of that program, and has the entire province been covered?

MR. MOORE: First of all, I don't think the entire province has been covered. I presume you're referring to the Department of the Environment program where they test-drill to see where water supplies are located. My information would be yes. Most farmers who asked that that testing be done on their farm followed up by drilling and casing and getting a water well into production. Quite naturally they're most often invited into areas where water supplies are difficult to get, and it's not unusual for that testing program not to develop any water supplies. So in that case they don't follow up with a well.

#### Agreed to:

Ref. No. 1.1.1	\$110,544
Ref. No. 1.1.2	\$138,277
Ref. No. 1.1.3	\$454,201
Ref. No. 1.1.4	\$325,498
Ref. No. 1.1.5	\$1,704,545

#### Ref. No. 1.1.6

DR. BUCK: Mr. Chairman, may I ask the minister a question? I remember when the vote first came in one or two years ago, I believe it was called engineering services or architectural services. Can the minister indicate what it does and how extensively it's being used? If my memory serves me right I think it had to do with designing farmsteads or designing water and sewer systems. Can the minister enlighten me on that please?

MR. MOORE: Mr. Chairman, yes I can. I might say at the outset that the increase in the systems and design vote is the result of the movement of funds from both the Agricultural Development Corporation and agricultural engineers to this vote. In other words it's not a real increase in terms of dollars, but

it's a movement within the department. It relates to the area you're talking about, agricultural engineering.

I haven't got total information with me, Mr. Chairman, but just a brief review perhaps. The ag. engineering department is involved in a number of things. I suppose most important in terms of dollar expenditures might be our involvement in PAMI which is the Prairie Agricultural Machinery Institute that was opened last June in Humboldt, Saskatchewan. It's cost-shared among the provinces of Manitoba, Saskatchewan, and Alberta. You may recall a federal report on farm machinery issued about 1969 that indicated a need for testing of farm machinery and so on. The federal government didn't move on that but the provinces of Manitoba, Saskatchewan, and Alberta did. A considerable amount of funds were spent in that area of agricultural engineering.

Our agricultural engineers are involved in a great variety of things: development of various kinds of farm machinery, assessing machines for various projects, or outlining and assisting farmers with water and sewage disposal units. They're involved in farmstead development, indeed outlining plans for that. Perhaps I could give an example in machinery. They've been involved for three years in developing a plough which would be used to plough solonchic soils. You're aware that you have to plough in depths of up to 24 inches to turn over those soils to make them more productive. No one in the private sector was interested or involved, so the department got involved by getting someone to build one prototype model. I'm not sure how many we've built now, but two or three. That's not a great expense, but it's an area where engineering is needed. We felt it was legitimate for the department to do that.

There are indeed a number of other areas where they've been working. For example, last year when we had the very wet fall in the northern part of the province, our ag. engineers dug in the drawer and came out with a pamphlet they had developed in 1974 that provided the basic instructions needed for farmers to put half-tracks on their combines and swathers. Simply hundreds of those pamphlets were reproduced and sent to all the DA offices, and they helped considerably.

MR. CLARK: Mr. Chairman, I thought we were going to adjourn. That's why I didn't get up earlier.

Could the minister bring to us Monday the amount of money that has been transferred from ADC to this

vote? In his comments initially, he said there had been some transfer.

MR. MOORE: A very small amount involved. The same kind of work in ADC that was moved.

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

[Motion carried]

[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, for the information of the House, I can give a tentative outline of the government business proposed for next week. Next Monday afternoon, March 28, we will continue in Committee of Supply with the estimates of the Department of Agriculture. Monday evening, Subcommittee A will continue with review of Social Services and Community Health; Subcommittee B, Recreation, Parks and Wildlife.

I gather the subcommittees would like to sit on Tuesday evening, so it is proposed Tuesday evening at 8 o'clock to continue those departments previously mentioned, or to start in Subcommittee A Energy and Natural Resources, and in Subcommittee B Housing and Public Works.

On Wednesday afternoon we'll either continue with the Department of Agriculture, bring in Advanced Education, or bring into the full Committee of Supply the subcommittee reports for Social Services and Community Health and Recreation, Parks and Wildlife. On Thursday evening, March 31, the subcommittees would be meeting again.

MR. SPEAKER: The Assembly stands adjourned until Monday afternoon at half past 2.

[The House adjourned at 1:00 p.m.]

