

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, March 28, 1977 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. HYNDMAN: Mr. Speaker, it's a pleasure today for me to introduce, in your gallery, the Consul of Greece to western Canada including the Yukon Territories, Mr. Constantine Belegris. The office of the Consul is based in Vancouver, and he has been visiting here in Alberta. Yesterday he was visiting with representatives of the more than 5,000 members of the Greek community in Edmonton. He goes to Calgary tonight, and he is very delighted to be in the province. I would ask that he stand at this time and be recognized by the Alberta Legislative Assembly.

head: **TABLING RETURNS AND REPORTS**

MISS HUNLEY: Mr. Speaker, I wish to table the Report of Inspection, Laboratory Animal Care and Facilities, Alberta Universities, as required by statute.

MR. FARRAN: Mr. Speaker, I beg leave to table, for the information of members, four departmental reports: one on Inmate Work Projects in the correctional institutions, the second on the Nordegg Forestry Camp and Wilderness Challenge Program, the third on operation Check Stop, and the fourth on the Fine Options Program in Edmonton.

head: **INTRODUCTION OF SPECIAL GUESTS**

DR. PAPROSKI: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, some 20 or 30 students from the University of Alberta, Political Science 200. Mr. Speaker, they're in the members gallery. They're accompanied by their professor, Professor W. Cummins. I'd like to congratulate them for taking an interest in the democratic process and the legislative process. I understand, Mr. Speaker, that some are actually considering entering the political arena. I'd ask them to rise and be recognized by the House.

head: **ORAL QUESTION PERIOD****Rent Control**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Consumer Affairs.

Perhaps I might take the opportunity to indicate to the House that I have been advised that the Minister

of Housing and Public Works lost his voice on the weekend. I suspect that was a result of having to defend some of the government's activities over the past number of months.

However, the first question would be to the Minister of Consumer and Corporate Affairs. Now that the reason for withholding any information about future rent controls has been cleared up, is the minister in a position to indicate to us today the government's decision with regard to the continuation of rent controls in the province?

MR. HARLE: Mr. Speaker, I can only repeat what I've said in the House in the last few days: the decision will be made in April and will be announced as soon as it has been made.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. Since both the hon. Premier and the Attorney General have indicated that rent controls will likely continue — and I believe that's the exact phrase — can the minister assure us that that in fact is the direction the government is leaning, after the events of the weekend?

MR. HARLE: Well, Mr. Speaker, I can only repeat the answer I gave to the first question: the decision will be made in April and will be announced when it has been made.

MR. CLARK: Mr. Speaker, then one further supplementary question to the minister. Is the minister prepared to give an undertaking to the Assembly that when such a decision is finally reached, the announcement will be made here in the Legislative Assembly?

MR. HARLE: Mr. Speaker, I've said the decision will be announced in the Assembly, yes.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The minister responded to a question last week by indicating the government was assembling information. Can the minister advise the Assembly whether the events of last weekend constitute the last major hurdle in assembling information before in fact the government has sufficient to make a decision?

MR. HARLE: Mr. Speaker, the government will gather the information it needs to make that decision. Because it is a very public issue at the present time, I'm sure we will still be hearing suggestions from members of the public and members of the House.

**Natural Gas Surplus**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Energy and Natural Resources, and ask if the minister can indicate to the Assembly what response he gave to the IPAC representatives last week when he met with them regarding their suggestion that the government temporarily defer its one-third share of Alberta's total gas production as a remedy to the critical problems of oversupply now facing small independent gas producing companies.

MR. GETTY: Mr. Speaker, I thanked them for their presentation; told them the Department of Energy and Natural Resources, in conjunction with the Energy Resources Conservation Board, was assessing the surplus gas situation and the various proposals for solving it, if possible — in some eyes it's not a real problem; it's nice to have a surplus — and advised them [I] would consider their proposal, although it was not one that seemed to catch me with a great deal of excitement.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. In light of the announcement by TransCanada PipeLines that in fact it's going to suspend purchase of Alberta natural gas until November '79, I believe, is the government prepared to consider leaving part or all of its royalty gas in the ground as a means of compelling major out-of-province buyers to take immediate delivery of Alberta volumes now available, with priority on the small Alberta-based companies having cash flow problems at this time?

MR. GETTY: It's almost the same question as the first, Mr. Speaker. Announcements by TransCanada Pipelines are seldom necessarily those that reflect the thinking in this province.

MR. CLARK: I would agree with that. Mr. Speaker, may I ask the minister then what kind of response he gave to the IPAC people with regard to their request of the federal government as far as federal income tax legislation is concerned, so that the financial prospect of accelerated recovery in the financing of refineries would be put forward by the IPAC people from the point of view that this would have positive investment as far as the heavy oil refinery potential is concerned in all of Alberta, especially northeastern Alberta.

MR. GETTY: Mr. Speaker, they advised me they'd be seeing the federal government some time this week. I really just wished them well and congratulated them to some extent on the initiatives and the amount of time they are spending. I think it is really the way many problems should be solved; that is, by the initiative of the individual parties involved in the problem.

MR. CLARK: Mr. Speaker, then a further supplementary question to the minister. In light of the minister's earlier comment, as far as the smaller Alberta and Canadian based gas producing companies are concerned, is it the position of the government of Alberta that there is a cash flow problem at this time?

MR. GETTY: Well, Mr. Speaker, it's really difficult to isolate any portion of the industry as small Alberta [or] Canadian based companies. A lot of it depends a great deal on the management of the individual company. Some members of management have managed to forecast what was going to happen and don't in any way have a cash-flow problem. Others perhaps didn't forecast as well and might have a problem. Some you could say was good management, and others — it was something they really couldn't have solved themselves. So it is very difficult to try to guess the individual status of any company or group of companies within our province with regard

to something as specific as a natural gas surplus and their cash flow as a result of it.

MR. CLARK: Mr. Speaker, just one last supplementary question to the minister. In light of the minister's lack of enthusiasm, I think I could charitably say, for the proposition put before him, does the government have any contingency plan developed or in the process of being developed with regard to the problems of some of the smaller gas producing companies in the province?

MR. GETTY: Mr. Speaker, in some ways it's the market place correcting itself. There have been extremely good prospects for natural gas and pretty good returns for investing in those prospects. That has caused the surplus. In some cases now the companies will deflect their interests from natural gas to oil, and I wouldn't want to interfere with that part of the market place correction of its own problem.

I would like to say that previously in the House I mentioned that companies are looking at perhaps additional exports to the United States, additional exports to Quebec. They are looking at shortening the period of time of some of the export permits so more gas can be sold now, and shortening the length of the export permit. They are looking at the possibility of selling gas to the United States on a swap basis and getting either gas or equivalent BTUs in the future. All these things are going on.

In addition, as the hon. Leader of the Opposition knows, Pan-Alberta is endeavoring to sell gas to Westcoast Transmission, which has a shortage in fulfilling its export permit to the United States. I think it's fair to say Pan-Alberta is buying gas primarily from smaller companies which, they think, have cash-flow problems.

All these things are going on now, Mr. Speaker, as well as the assessment I mentioned earlier. I feel we are going to be able to handle the matter.

#### **Snowstorm — Southern Alberta**

MR. THOMPSON: Mr. Speaker, I wish to direct my question to the Minister of Utilities and Telephones. In regard to the snowstorm they had in southern Alberta this morning, has there been any impact on utilities in that area regarding telephones, power lines, and those types of things?

DR. WARRACK: Mr. Speaker, indeed southern Alberta had a major snowstorm, which I guess was not all bad. There has in fact been some interruption of service, particularly in the area of power, in the southern Alberta area. At the present time in the Brooks, Lethbridge, and Cardston areas crews are out working on that. I might also say that if the power outages are more extensive than about eight hours that will begin to have some effect on telephone service as well, for the reason that eight hours is about the reserve capacity of the battery set-ups to power the telephone systems. However, we do anticipate that that problem will not materialize.

MR. GOGO: A supplementary, Mr. Speaker, to the Minister of Agriculture. Was the snowstorm in response to a prayer he uttered last week?

MR. MOORE: Mr. Speaker, I might say that indeed the amount of snow that has fallen in southern Alberta is a particularly good thing for the agricultural industry and the soil moisture levels, in that the ground is virtually thawed out and that amount of snowfall melting over a period of days will certainly be a tremendous benefit to that part of the province.

#### **Land — Foreign Ownership**

DR. BUCK: Mr. Speaker, I have a voice problem also, but it doesn't arise from the PC convention. I'd like to say, Mr. Speaker, that the Bantam A provincial hockey crown is now resting with the Fort Saskatchewan Brant Flyers, and I was leading the cheering.

But my question pertains to a resolution coming out of the PC convention. I'd like to know if the Attorney General can indicate to the Legislature when the government will be introducing foreign land ownership legislation.

MR. FOSTER: Mr. Speaker, I think my colleague the Minister of Federal and Intergovernmental Affairs could deal with that question.

MR. HYNDMAN: Mr. Speaker, we anticipate introducing that legislation within the next three to six weeks.

DR. BUCK: Mr. Speaker, may I address a supplementary question to the hon. minister. Can the minister indicate if the legislation will be passed at this session or held over and passed at the fall session of the Legislature?

MR. HYNDMAN: No final decision has been taken, Mr. Speaker, but we hope we would be able to pass it this spring. It depends on a number of matters relating to the authority which has been given to the province under the Canadian Citizenship Act amendments. But we would want to ensure that there is adequate time for representations to be made with respect to the act and regulations under it.

DR. BUCK: Mr. Speaker, can the hon. minister indicate what steps the provincial government will be taking to ensure that large masses of Alberta land are not bought by foreign owners before the legislation becomes active?

MR. HYNDMAN: We've anticipated that, Mr. Speaker. At this time we haven't settled on the mechanism that will be followed, but suffice to say there will be appropriate safeguards of that kind over the course of the summer.

#### **Vehicle Accident Fund**

MR. PURDY: Mr. Speaker, I'd like to address a question to the Attorney General. It's a follow-up to two questions I presented to the minister on March 9 this year regarding the motor vehicle accident claims fund. At that time I asked the minister questions regarding the small repayments made by people who have judgments against them and, secondly, no interest charges being picked up by the province on these judgments. Has the minister had an opportunity to review these questions, and has he got an answer?

MR. FOSTER: Mr. Speaker, we are of course reviewing both questions put in the House. I was anticipating I would perhaps deal with the matter at length in the course of my estimates. With respect to that one question having to do with interest, it came as somewhat of a surprise to me to discover that one section of the act prescribes that no interest is to be paid on these accounts. I am giving some consideration to whether or not that section should be amended, which is of course a policy question which will be discussed with members of government caucus.

#### **Chestermere Lake**

MR. LITTLE: Mr. Speaker, may I address my question to the hon. the Minister of the Environment. Would the minister advise the House as to the future plans for the summer village of Chestermere Lake, situated on the eastern boundaries of the city of Calgary?

MR. RUSSELL: As hon. members may recall, Mr. Speaker, the Calgary restricted development area was widened on the east side of Calgary to include the present site of the summer village of Chestermere Lake in order to deal with some important environmental and planning concerns we anticipated would be occurring there. It's our intention to limit growth in the summer village to the extent now there and at the same time to provide a local form of government that could participate in the substantial programs of financial assistance for upgrading as far as sewer and water utilities are concerned.

MR. LITTLE: Supplementary to the minister, Mr. Speaker. A number of my constituents who own property in the village fear that the excessive costs of these extended services will force them to sell out. Are you prepared to comment on that, Mr. Minister?

MR. RUSSELL: As members are aware, Mr. Speaker, the programs of financial assistance for the supply of those domestic services are extremely generous on the part of the province, and I would hope that those citizens would see their way to participating in them on the same basis as all other citizens of the province. I think the positive side the hon. member could tell his constituents is that although some improvements may be necessary, it will certainly enhance their investments.

#### **Coyote Shooting**

MR. WOLSTENHOLME: Mr. Speaker, my question is to the Minister of Recreation, Parks and Wildlife. Recently I've been getting considerable mail about shooting of coyotes. I was wondering if the minister feels remedial action should be taken to prevent this practice within the province?

MR. ADAIR: Mr. Speaker, the increase in the number of people shooting coyotes is in direct relationship to the pelt prices in place right now. But I should point out there is a season when you can shoot coyotes on Crown land, and that is September 10 to May 31. You can shoot them at any time on private land, but only with the permission of the landowner.

One of the problems we have right now is the

actions of or reactions to people who are in fact shooting coyotes on rights of way and going onto property without permission. We have asked anyone who has noticed that, or is prepared to lay the complaint to do so with their nearest RCMP or fish and wildlife officer.

MR. KIDD: Supplementary to the minister. Would you confirm that it is against the law to hunt coyotes with dogs, or snowmobiles, or to spot them from airplanes?

MR. SPEAKER: I think we should consider that the hon. member has already made the announcement he is asking the minister to make.

#### **Parkland Nursing Home**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Labour. It's a follow-up question to one I put last week. In light of the fact that talks appear to have broken down again in the Parkland Nursing Home dispute, also that the management has apparently refused any direct mediation service from the Department of Labour, is the minister in a position to outline to the House what steps the department proposes to take to ensure that the owners of Parkland will negotiate in good faith?

MR. CRAWFORD: Mr. Speaker, I don't think I can add anything to the answers given last week: substantially that where the parties have a disagreement that is being bargained, the department does stand by with services when requested. I might add that a conciliation or mediation attempt is not of that much value unless both parties are desirous of moving toward the advice of an independent third party, which the department is glad to provide.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has the minister had an opportunity to investigate concerns, pursuant to Section 95 of The Alberta Labour Act, that persons bargaining on behalf of Parkland do not have sufficient authority to determine the issues before them?

MR. CRAWFORD: Mr. Speaker, I think it would be a strange thing indeed if I chose the question period to begin to give my view of the merits or otherwise of one side or the other in a specific instance as compared with the advice that might be given in the privacy of the type of mediation or conciliation meeting that does take place with the services of the officials available.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has the minister had an opportunity to investigate whether or not minors have been used as strikebreakers, either by Parkland Nursing Homes or Comcare (Canada) Ltd., during this particular work stoppage?

MR. CRAWFORD: Mr. Speaker, I'm not aware of the identities of individuals who may be performing services there at the present time as a result of whatever steps management has taken. Whether or not the people employed that way may be in violation of one of the labor standards is something that, having been

raised by the hon. member, I would be very pleased to check into.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Hospitals and Medical Care. Is the minister in a position to bring the Assembly up to date on whether patients have been moved from Parkland to the Charles Camshell Hospital as a result of the work stoppage?

MR. MINIELY: Mr. Speaker, I am not able to advise whether that actually has occurred. As I indicated to the House last Friday, in matters of this nature we do develop as an overriding factor in the interests of patients a contingency plan to ensure that patients are adequately cared for regardless of any negotiating problems between employer and employees. In the event that patients could not be adequately cared for in the Parkland Nursing Home, part of the plan did provide for the possibility of moving some of them to another facility. I believe one of the options was the Charles Camshell.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Minister of Hospitals and Medical Care. Does the government of Alberta have any overall policy with respect to the *per diem* payment when there is a strike or lockout at a nursing home? Can the minister assure the House that there won't in fact be a double payment, both to the alternative place and to the original home where a strike or work stoppage is occurring?

MR. MINIELY: Mr. Speaker, yes, we do have such a policy. The policy is based on the actual provision of adequate care for the patient. In the event that patient load at any nursing home in Alberta is reduced for even one day, the revenue would revert to the alternative institution and not to the nursing home from which the patients are being removed.

MR. SPEAKER: Might this be the final supplementary.

MR. NOTLEY: Mr. Speaker, one final supplementary question to the minister. Has the government of Alberta any policy with respect to the co-insurance fee — the patient's fee of either \$5, \$7, or \$10 — in the event that the option of moving the patient occurs?

MR. MINIELY: Mr. Speaker, the entire amount, which is the provincial contribution plus the co-insurance, would revert to the alternative institution the patients are placed in and not the existing nursing home.

#### **Vehicle Insurance**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs. Would the minister inform this House or bring us up to date if any recent studies have been made recommending no-fault insurance to the government?

MR. HARLE: There have been none since I tabled the report of the Alberta Automobile Insurance Board in the House, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, my question is also to the hon. Minister of Consumer and Corporate Affairs. It involves the practice of insurance companies putting all drivers under 25 in the same basket, even though hundreds of them are responsible, excellent drivers. My question is: has the office of the Superintendent of Insurance carried out any studies listing the pros and cons of treating vehicle owners who are under 25 years of age on their own merits, rather than putting them all in the same basket?

MR. HARLE: Mr. Speaker, perhaps I could respond in this way: about the middle of February a direction was issued by the Alberta Automobile Insurance Board to all insurance companies in the province requiring that, provided he or she had no accidents when the application for insurance was made, a beginning driver would receive a driving record one, which would mean the equivalent of one year's driving accident-free, thereby entitling the applicant to a reduction of about 16 per cent in the premium.

In 1974, the board issued a direction that those who took an approved driver training course, applied for insurance, and had no accidents at the time of the application would receive a driving record three, meaning they are treated as though they have driven three years without an accident, which would result in a reduction in premium of about 44 per cent.

MR. TAYLOR: Supplementary to the hon. minister. All these items are excellent, but I wonder if the Superintendent of Insurance could approach insurance companies to enlarge on that program and give such benefits to any driver who drives accident- and conviction-free, even though he is under 25 years of age and not married.

MR. HARLE: Well, Mr. Speaker, as I understand the assessment of risk, that is in effect what occurs. As an individual drives each year up to three years — and in some cases up to five years, depending on whether a company has that type of breakdown of premium — in fact he or she gets the benefit of driving without an accident. That does not mean you equate a young driver with an older, more experienced driver.

I think the statistics speak for themselves. The younger driver not only has more frequent accidents, but the amounts of the claims are higher for the underage driver. I would suggest that the statistics prepared by the actuaries who assess risks would show quite clearly that the young driver does experience a greater risk of accident.

MR. TAYLOR: One further supplementary, if I could rephrase my question. The overall premium, however, is still based on those under 25. My question is: those who drive without an accident or conviction from the time they are 16 to 23 or 24 are still stuck with that basic premium as if they were bad drivers. That is the point I would like to see rectified. I'd like to see the Superintendent of Insurance contact insurance companies to see if something could be done for those excellent drivers.

MR. HARLE: Well, Mr. Speaker, again all I can say is that the risk of the young driver is higher than the person over 25 and married . . .

MR. TAYLOR: Even though he's never had an accident.

MR. HARLE: . . . even though he has not had an accident. Certainly the underage driver gets the 44 per cent reduction in premium, the same as the driver over 25.

#### Vehicle Licences

MR. GOGO: Mr. Speaker, my question is to the Solicitor General. In view of the storm in southern Alberta this weekend, with roads closed, is the minister considering extending the deadline for licence plates?

MR. FARRAN: Mr. Speaker, this year we allowed a full two months for the purchase of licence plates, which seems a very generous and adequate length of time, as opposed to previous years when we gave a one-month period and then one month of grace.

I'm unhappy that at the moment we are down about 20 per cent on transactions as compared with last year. I have to make it quite clear that I see no justification for extending the period beyond April 30. I would urge everyone to get their validating tabs just as soon as possible. I don't imagine the storm in southern Alberta will stop traffic on the roads for too long.

It's in the interest of the public themselves to go early to buy these validating tabs, Mr. Speaker. It's not just like selling potatoes in Safeway; there's a certain amount of checking to be done on proof of insurance, ownership of the vehicle. If it's to be done thoroughly the staff needs time. If people complain as we get toward April 30 that they've had to wait in line for lengthy periods, they have only themselves to blame. I would urge everyone to get their plates as quickly as possible.

#### Postsecondary Education Meeting

DR. WEBBER: Mr. Speaker, I'd like to direct my question to the Minister of Advanced Education and Manpower. It's a result of the meeting of the Western Canada Post-Secondary Co-ordinating Committee on Friday in Edmonton. I wonder if the minister could report to the Legislature the results of that meeting.

DR. BUCK: Mr. Speaker, on a point of order, I asked a similar question last year on the proposals that were made to reclaim farmlands in the Dodds-Round Hill area. I asked the minister to report, Mr. Speaker, and you ruled that out of order.

MR. SPEAKER: I'd have to say the hon. member has a valid point of order. In many instances it's difficult for the Chair to anticipate how long an answer may be. I would hope that the hon. minister would not attempt to give us the minutes of the meeting.

DR. BUCK: Mr. Speaker, speaking on that point of order, you did not allow my question to stand.

MR. SPEAKER: I don't recall the exact occasion, but if the hon. minister wishes to deal briefly with one or two highlights perhaps that might be in order.

DR. HOHOL: Mr. Speaker, the ministers responsible for postsecondary education in the four western provinces meet up to two times a year to discuss matters in terms of two reference points: one, exchange of information on issues common to our responsibilities; secondly, to work out certain agreements for service to people in the four provinces. This is what we did in our meeting.

DR. WEBBER: A supplementary, Mr. Speaker. I wonder if the minister could report whether there was any progress in discussions related to the preparation of teachers of the handicapped.

DR. HOHOL: Yes, Mr. Speaker, it was one item on an agenda of about 10 or 12. It took considerable discussion. We made certain kinds of understandings and arrangements to go back to our provinces, do certain things, meet again in the fall, and move the program forward as best we can. I'd be happy to give any member or all members detailed information on any item on the agenda.

#### Medical Research Funds

MR. MUSGREAVE: Mr. Speaker, I'd like to address my question to the Minister of Hospitals and Medical Care. Concern has been expressed by the Canadian Cancer Society and the Alberta Heart [Foundation] that as a result of the recent government announcement to invest several millions of dollars in heart and cancer research, they are having difficulty convincing the public of the necessity of conducting drives for voluntary contributions. My question to the minister is: could the minister advise the government's position in regard to their dilemma, and will he comment on whether it is important for them to continue their work?

MR. SPEAKER: The second part of the question would appear to be an outright request for an opinion, but the first part would appear to be in order.

MR. MINIELY: Mr. Speaker, I've had two meetings with the Canadian Cancer Society and the Alberta Heart Foundation with respect to applied research initiatives in heart disease and cancer. I indicated at both meetings, particularly in the latter one with the Canadian Cancer Society, that I see an exciting approach which perhaps is a matter of communication, that voluntary fund-raising associations should be saying when they're campaigning that our citizens should contribute and enter into partnership endeavor in the area of health research generally.

The response I've received to this point when the matter has been clarified by me in meetings with the Canadian Cancer Society — and I'm going to have another one with the Alberta Heart Foundation imminently — has been very positive. I think we can develop an exciting concept of partnership between our citizens donating voluntarily to voluntary associations and government funds developed in a priority way to meet the needs of general health care research.

#### Alberta Game Farm

DR. PAPROSKI: Mr. Speaker, a question to the Minister of Recreation, Parks and Wildlife regarding the Alberta Game Farm. I wonder if the minister would indicate to the House whether he's had any new requests or inquiries regarding the Alberta policy direction to lease land [at] \$1 per year to a non-profit organization with managerial capabilities which raises funds to purchase the Alberta Game Farm.

MR. ADAIR: Mr. Speaker, no, other than the fact that I'm aware that other groups are looking at it and have copies of the various documents relating to our press release of February 1.

DR. PAPROSKI: A supplementary, Mr. Speaker. I wonder if the minister would indicate to the House whether the policy direction to assist in keeping the Alberta Game Farm in Alberta has changed in any way.

MR. ADAIR: No, Mr. Speaker.

DR. PAPROSKI: A final supplementary, Mr. Speaker. I wonder if the minister would indicate to the House whether any requests have been made from cities, municipalities, IDs, et cetera to assist in purchasing the Alberta Game Farm by way of the major cultural/recreation facility program.

MR. ADAIR: I'm not aware of any, Mr. Speaker.

#### Telecommunications

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Utilities and Telephones in his position as co-chairperson for the conference on communications starting in Edmonton tomorrow. My first question is: is the minister in a position to indicate whether he's had communications with the province of Quebec, and will the province of Quebec have ministerial representation at the conference?

DR. WARRACK: Mr. Speaker, the answer to the first question is yes. I made a trip about the middle of January to meet the ministers of communication not only from Quebec, the Hon. Louis O'Neill, but also Ontario, the Hon. Jim Snow, as well as meeting my co-chairman counterpart, Mme. Sauve the federal Minister of Communications. So the answer is yes.

With respect to the question of whether Quebec intends to attend and participate, the answer is no.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it the intention of the minister to outline the position of the government of Alberta with regard to the new federal communications legislation recently introduced in Ottawa? Will the minister be outlining Alberta's position at the conference?

DR. WARRACK: Mr. Speaker, that is a very important question. The phase two legislation tabled in the federal House of Commons on Wednesday of last week, five days ago, is an extensive document and very, very important. It would be my intention, with the extent of briefing I've had an opportunity to devote to that major legislation so far, to pose a

number of preliminary questions by way of concerns we have thought of as we read the document, and during the course of those discussions to indicate certain matters with respect to provincial participation, in our case Alberta, in the decision process; also the capacity of the act for a more decentralized and flexible kind of Canada.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to indicate to the Assembly the general overall position of the government of Alberta with regard to the act, especially that portion that I think we could say deals with some greater decentralization of the responsibilities for the communication regulation?

DR. WARRACK: Yes, Mr. Speaker, there are a number of areas in the proposed act — not proposed act, because it has been tabled in the federal House of Commons — that make reference to provincial participation. Subject to detailed review by the staff of Federal and Intergovernmental Affairs and my own advisors, as well as discussions this week on phase two legislation, the Telecommunications Act, our concern upon initial review is about some uncertainties that that might also propose along with the capacity for participation by the provinces.

In short, Mr. Speaker, there are indications in the provisions of the act that there will be more opportunity for participation, but some of the language does give rise to uncertainties with respect to federal as distinct from provincial jurisdiction.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Utilities and Telephones, or perhaps the Minister of Education. Is the minister in a position to indicate the reasons put forward by the CRTC for its decision to license CKUA for a two-year period rather than the traditional four-year period?

DR. WARRACK: Mr. Speaker, I would refer that question. I'm not sure, but the Minister of Federal and Intergovernmental Affairs or the Minister of Education might wish to respond.

MR. KOZIAK: Well, I think I could supply the hon. Leader of the Opposition with a complete copy of the decision, which would set that out.

Two areas are involved in connection with CKUA specifically. One is the degree of educational broadcasting on CKUA, inasmuch as that particular facility is there as an educational broadcasting facility. I understand commissioners expressed some concern as to the level of educational broadcasting.

Of course the other was, under the act incorporating the authority and the board of ACCESS, the possibility for provincial government interference felt by some of the legal profession who advised the council. Inasmuch as that interference did not exist, the licence was renewed. However, for two reasons the commission felt it would like to look at the licence of CKUA more often than normal.

#### Gaming Control

DR. BUCK: Mr. Speaker, my question to the hon. Attorney General has to do with gambling casino operations in the province. Can the minister indicate

if he or his department has had an opportunity to assess the effect the regulations announced last year have had on the incomes of charitable organizations which have been operating casinos?

MR. FOSTER: Mr. Speaker, I don't have all that information readily at hand. But I think I could offer the observation that most of the organizations which have been granted licences have been able to make funds during the operation of their two-day casinos.

Perhaps during my estimates I might provide the House with more detail as to the numbers and approximate dollar figures. But it is not unusual for some organizations to make as much as \$30,000 or \$40,000 net during that interval. That may be one of the reasons we have experienced such a high increase in the number of applications for casinos.

Quite frankly, Mr. Speaker — and this almost gets into policy, which I will deal with during my estimates — the House might wish to consider whether or not changes in the conditions of gaming, particularly in the casino area, might do something to dampen the expectation that is out there in terms of raising funds in this manner, and to ensure that the citizen who wishes to participate in this kind of activity is getting a fair deal.

One final observation, Mr. Speaker: I'm somewhat reluctant to suggest that the fairness of the game is improving in favor of the player. The minute I make that kind of statement, it seems to show up in increased participation by the public in casino events. Frankly, I'm interested in discouraging, not encouraging public participation in gambling.

DR. BUCK: Mr. Speaker, could the hon. minister indicate the response to the telephone number maintained by the department for reporting irregularities in gambling operations?

MR. FOSTER: Mr. Speaker, I think there has been quite a good working relationship between the gaming control section of the department and the police forces of the province. Just last week we put the final touches on a document which will attempt to clarify, where there was some uncertainty, the role between police, in terms of getting complaints and conducting investigations in this area, and the gaming control unit.

My information is that the gaming community is quite well controlled, quite well policed. We have had some prosecutions. Clearly I can't deal in the House with investigations currently under way, but undoubtedly this kind of activity attracts people with sticky fingers. Complaints are made, investigations are under way, and inevitably prosecutions are appropriate.

MR. SPEAKER: Might this be the final supplementary.

DR. BUCK: Supplementary on the last portion the minister indicated, not the sticky finger portion. Just how extensive have the number of complaints been about supposed irregularities?

MR. FOSTER: Mr. Speaker, I don't really know. I cannot say it has been extensive. If it had been extensive, I'm sure I would be aware of it. The fact that I'm not aware of it suggests to me that there has

not been an extraordinary number of complaints, or even a high number.

My information is that the reporting and checking mechanisms in place are operating and functioning. There have been some complaints, but I don't want to leave the House with the impression that there is a high level of complaint in the gaming area. But since the hon. member has expressed that interest, I'll take care to check and be prepared to discuss this in detail, if you wish, during my estimates.

MR. SPEAKER: We're running out of time. Possibly we could have one short question and one short answer for the hon. Member for Spirit River-Fairview.

#### French Language

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier, and a very short word of explanation is necessary. A few weeks ago the Prime Minister of Canada spoke very eloquently to the American Congress about the need to create an understanding between the French Canadian and the largely English Canadians . . .

MR. SPEAKER: Would the hon. member please come directly to the question.

MR. NOTLEY: My question, Mr. Speaker, to the hon. Premier is: what priority does the government of Alberta place at this time on expanding the use of French in the province of Alberta, both in the curriculum of the school system, and in government services where appropriate?

MR. LOUGHEED: Mr. Speaker, I think it would be appropriate to refer that question to the Minister of Education.

MR. SPEAKER: It would also appear to be a question of perhaps considerable scope as far as the answer is concerned, and we've run past the time. If the hon. minister wishes to deal with it very briefly, perhaps we could go back to it in a future question period.

MR. KOZIAK: I'll deal with it very briefly, Mr. Speaker. Perhaps the best way in which I could deal with it is just to bring to the attention of hon. members the change made in the regulations last fall which permitted school boards in the province to provide for a greater level and degree of instruction in the French language as long as in so doing they provided sufficient instruction in the English language. Basically, school boards throughout the province, where the need and demand exist, are entitled under The School Act to provide instruction in the French language, as long as they don't overlook the English language.

### 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.

I would like to have your attention for just a moment. If you will recall, the other day a division was requested in the Committee of Supply. I realize we carried out the vote by a numbers count, which has been the custom and procedure for many years in this Assembly. However, I have had a discussion with Mr. Speaker. It's very clear, according to Standing Orders 30 and 52(1) adopted in 1973, that if a division is requested by three members standing, the same procedure follows in Committee of Supply as in the Assembly. Henceforth if a division is called at any time in Committee of Supply, under the normal procedure the same procedure will be followed as is carried out in the House in session.

#### Department of Agriculture

MR. MOORE: Mr. Chairman, in my initial remarks on the agriculture estimates on Friday, and perhaps later on, I gave incorrect information with regard to the amount in the budget for assisting the dairy industry in a fluid milk advertising program. I indicated an amount of \$520,000. I would like to correct that information and say that that is the total amount anticipated to be spent on an advertising program this year. Fifty per cent of that, or \$260,000, will be provided by the Department of Agriculture and the balance by the industry. I was aware of those figures but did give the incorrect information. The record could show that's been corrected.

In addition to that, Mr. Chairman, in the discussion on Friday the hon. Member for Clover Bar asked me a question about ag. engineering and what was done there. While I don't believe I gave incorrect information, I may have led the Assembly to believe that agricultural engineering was under Vote 1.1.6, Systems and Design. In fact it is not. It's under Family Farm Services in Vote 4. Checking *Hansard*, I indicated that certain dollars from the agricultural engineering vote had been moved to Systems and Design, which is Vote 1.1.6. That is correct.

The hon. Leader of the Opposition asked what amount was moved from the Agricultural Development Corporation. That amount is \$96,000. In fact what we have under this vote called Systems and Design is, generally speaking, the computer services the Department of Agriculture is involved in. In previous years we budgeted under the Agricultural Development Corporation some money that was used for computer services. Throughout the year it had then been transferred to the systems and design branch, or they had been paid for that kind of work. In this budget we decided to have all funds involved with computerization in various parts of the department under the systems and design branch. That's why there's been a fairly extensive increase in that regard. Also included in 1.1.6 is \$100,000 for computerization of various programs that used to be in the marketing division of the department.

Mr. Chairman, I think that's all the clarification I would need.

DR. BUCK: Mr. Chairman, I'd like to ask the hon. minister if he's in a position to indicate — I know he's not the weatherman but this directly affects agriculture in the south — how extensive the snowfall was and how wide a strip? How much snow was there

and did it extend to the mountains, where the watershed areas are, because there's quite a concern about irrigation water supply?

MR. MOORE: Mr. Chairman, the question came just in time. I'd asked for that information earlier today and just received it. It's in metric, though. In the Lethbridge area there were 37 centimetres, about 15 inches of snow; in Brooks, about 8 inches; and in the Medicine Hat area, about 2.5 inches. For the information of members, the 15 inches in the Lethbridge area was equal to about 1.5 inches of rainfall; in Brooks, close to 1 inch of rainfall. Of course the snow has not abated yet, and we expect more major snowfall tonight. So I think it would be a day or two, perhaps three, before we could have an accurate assessment of the benefits of that snowfall. But certainly they're already appreciable.

DR. BUCK: I guess the minister doesn't have any information as to what happened further west in the watershed areas in the mountains.

MR. MOORE: I'm sorry, I don't have information aside from that I just provided. As a matter of fact my understanding is that there is some difficulty in even the weather office getting a full report of what happened. They're more concerned about the problems that resulted from the snowfall.

MR. CLARK: Mr. Chairman, perhaps I should say at the outset that the minister may have to do an education job on my colleague and me today, because our two colleagues who carry most of the agriculture responsibilities happen to be snowbound. The hon. Member for Little Bow reports that power has been off for some hours and he is seriously snowbound. Hopefully the member for Brooks will be able to get here this evening.

I should also say to the minister that unfortunately the snow didn't get far enough north. Yesterday afternoon when people were driving in some areas generally from Red Deer to Calgary, I think it's fair to say, it was necessary to drive with your lights on. It was an extremely bad day. Unfortunately no snow, or very little snow, got any further north than Calgary.

Mr. Chairman, after that introduction I'd like to say to the minister that, while I wasn't in the House, from reading the unofficial transcript I note that the minister indicated a task force has been set up with his colleagues the ministers of Business Development and Tourism and Federal and Intergovernmental Affairs on the question of the bilateral negotiations and the General Agreement on Tariffs and Trade.

In light of the importance the government has placed on these areas, I'd like the minister to spend a few minutes, if he'd be so kind, to outline pretty frankly Agriculture's priorities in there. Also could he give us some indication how this task force is working, because several times in this House the government has made the statement about its interest in the area of negotiations here. I think it would be interesting and helpful to members to understand what the government's priorities are from the standpoint of agriculture in these areas.

MR. MOORE: Mr. Chairman, when I indicated the formation of the task force, that was really something

that occurred over a period of time. It simply means the drawing together of people knowledgeable in the field of international trade and tariffs, not only about what exists in terms of tariff barriers and non-tariff barriers but the kinds of things we should be asking for in terms of Alberta's interests.

The task force is simply a number of people drawn from various departments — Business Development and Tourism, Agriculture, and Federal and Intergovernmental Affairs — rather than departments working on their own, as can often be the case if some good direction is not given. We've drawn together expertise from various areas within government for that purpose.

Mr. Chairman, the only way I could adequately advise hon. members of the priorities we place on various agricultural commodities in terms of trade is to refer them to the booklet tabled by the Minister of Federal and Intergovernmental Affairs, entitled *Agriculture in the Multilateral Trade Negotiations*, which was a brief presented by the governments of B.C., Alberta, Saskatchewan, and Manitoba and forwarded by our Premier on behalf of those governments to the Prime Minister of Canada before Christmas.

DR. BUCK: What's the name of the book?

MR. MOORE: That book, *Agriculture in the Multilateral Trade Negotiations*, was filed early in this legislative session by the Minister of Federal and Intergovernmental Affairs. It is some 75 pages in length. But I can say, Mr. Chairman, that priority is being placed on the major commodities this province has to trade — certainly grain, beef, pork. We are also placing some emphasis on problems we have with respect to non-tariff barriers in our trade. In that order, I might refer only to the problem of moving rapeseed oil into the United States market because it's not accepted under their Food and Drug Administration as an edible oil. Certainly the priorities vary, depending on which country we might be referring to in either our bilateral or multilateral discussions in Geneva.

MR. CLARK: Mr. Chairman, is the minister in a position to indicate who from the Department of Agriculture is involved in this task force — is it at the deputy minister or ADM level — or give us some kind of priority being placed there? Secondly, is it the intention of the government and the minister to have senior agricultural officials from Alberta attend the GATT negotiations as part of the federal delegation? Just where do we sit?

MR. MOORE: On the last question, Mr. Chairman, I cannot answer that yet. Certainly I would expect that if there is an opportunity for officials of the government of Alberta to attend as observers or in any way to assist the negotiations being carried on by the government of Canada, we would do so. I'm not really aware to what extent that opportunity exists at this time.

As to the kind of people involved in what I call our task force, I am unable to give you names of individuals but rather to indicate to you the kinds of positions involved. Certainly our assistant deputy minister of international marketing, and the chairman of the Alberta Grain Commission are involved from time to time. We have within the marketing division of the

department as well a number of knowledgeable people who have been active for some time in studying the tariff barriers that exist in this province. We will be drawing on a variety of people in that area, depending on what we are discussing.

I might indicate that only recently we announced that we had employed within the international marketing branch of the Department of Agriculture, effective May 1, an individual currently with the federal Department of Industry, Trade and Commerce, who spent some years in Japan in the Canadian Embassy and has had fairly wide experience in the matters of which I speak, and who will undoubtedly be involved in some capacity in our tariff and trade negotiations as well and the kind of representations we might wish to make to Ottawa.

MR. CLARK: Mr. Chairman, to the minister. Did you say, Mr. Minister, that one of the assistant deputy ministers was involved in this task force? Would that be Mr. Hanna?

MR. MOORE: Well, I guess I should clarify the meaning of the words "task force". We're drawing on a variety of people to assist us in this regard. It depends to a large extent on what area we are talking about. Certainly Mr. Hanna, the assistant deputy minister of our marketing branch, and Mr. McEwen, the assistant deputy minister of international marketing, will both be involved — not always, but when in fact it develops that the areas we're discussing are areas they're knowledgeable about. So it's not a set and fixed number of people. We're drawing from time to time on those individuals in all departments of government to assist us, basically Business Development and Tourism, Agriculture, and some with respect to Transportation involved with freight rates and that type of thing.

MR. CLARK: Then can you tell us who are the nucleus responsible for the task force? Really you're saying you call in people from various aspects of your department and from your colleagues. The real nub then becomes, who are the two or three people working on the task force on a full-time basis?

MR. MOORE: The Minister of Federal and Intergovernmental Affairs, the Minister of Agriculture, and the Minister of Business Development and Tourism.

MR. CLARK: Just so I clearly understand this. We have a task force made up of three ministers. At their whim they call in whoever they think most desirable from the various departments. Let me put it this way: who are some of the people you've called in to date? Because it seems to me that in something as important as this, and with all the talking the government has done about the GATT negotiations and the upcoming bilateral negotiations or possibilities, it would be more than a task force of three ministers that would sit down and say, well, maybe we should hear from this person today and this person next week, [that] kind of thing. Surely someone must have some responsibility on an ongoing basis for the co-ordination of the thing.

I can appreciate the ministers are involved from the standpoint of setting the overall direction and so on. But I'm trying to find out who are the senior people

responsible for the day to day goings-on of this task force, so that two or three months down the road we've got some firm conclusions. Or have the conclusions already been drawn up, Mr. Minister? If so, what are they?

MR. MOORE: Well, Mr. Chairman, I can't go too much further than to say that a great number of people are involved — perhaps 20 or 25, maybe even more — in various departments. The efforts being made are co-ordinated under the Minister of Federal and Intergovernmental Affairs, the Minister of Business Development and Tourism, and me. The document tabled some weeks ago, *Agriculture in the Multilateral Trade Negotiations*, was a product of perhaps 10 to 12 months of work by a great number of people. I would not want to try to name them all and possibly exclude some who contributed to it.

Certainly I think it's adequate, Mr. Chairman, to say we're drawing on the best ability we have within various departments — and it's pretty good — to put together these kinds of recommendations and follow up on them. It's being co-ordinated and led by the three ministers I referred to.

MR. NOTLEY: If I could just follow that up in a supplementary question. I was out for a minute or two. Is there not some sort of secretariat of three or four people, because obviously the ministers can't do this. I agree with the Leader of the Opposition: the ministers can set the general guidelines and policies, but you're not going to be able to decide whether A, B, and C persons in Federal and Intergovernmental Affairs, X, Y, and Z people in Agriculture, and two or three other people in Business Development and Tourism who have expertise are going to do their assignments. There has to be some way of marshalling this information. Is there some sort of secretariat specifically set up to in fact draw together the expertise we have in government, and also make decisions or recommendations with respect to engaging consultants who have expertise when that's required?

MR. MOORE: Well, Mr. Chairman, I have to say again that we as ministers have spent a great deal of time on this matter over the course of the last 8 to 10 months and will continue to do so at least until negotiations in Geneva are completed, and perhaps beyond that.

As far as co-ordination is concerned, the major responsibility in that area lies with the Minister of Federal and Intergovernmental Affairs, his deputy minister, and staff. To answer your question briefly as to who co-ordinates, that department does.

MR. NOTLEY: It would be the deputy minister?

MR. MOORE: Yes, and others.

MR. CLARK: Sorry, Mr. Chairman. Just going back to this again. It would be fair to say, then, that the deputy minister of Federal and Intergovernmental Affairs, Prof. Meekison, would be the person responsible for the ongoing work being done in this task force? Is that accurate?

MR. MOORE: Not quite, no. I indicated that that department has a role to play in co-ordination. But I

say once again that we as ministers, the Minister of Federal and Intergovernmental Affairs, the Minister of Business Development and Tourism, and myself, spent a great deal of time in this area, including some pretty fine details.

MR. NOTLEY: Just before we pass over this, because we're really talking about perhaps the most important aspect of the agricultural estimates, I'm still having a little bit of difficulty trying to see the organizational chart of this process. I appreciate the fact that the ministers are going to be spending, I would hope, most of their time on this. I couldn't agree more that what comes up at Geneva is going to be crucially important — also the bilateral arrangements, where they can be dovetailed in. I don't think anyone in the House is going to begrudge that time. Far from it.

But it seems to me that there has to be someone on the ongoing work. When the minister answered my question, I took it that it was Mr. Meekison, the deputy minister of Federal and Intergovernmental Affairs. But there surely has to be some sort of person in charge of the working level of this project.

MR. MOORE: Mr. Chairman, perhaps when the estimates of the Department of Federal and Intergovernmental Affairs come around, we could be prepared to provide you with the names of individuals who work in the department. I could start naming them, but I certainly won't get them all.

One individual in the Department of Agriculture, Dr. Rosario, is from the University of Alberta, I understand, and in fact specialized in the area of international trade and tariff agreements and that kind of thing. He is not working full-time but, I would say, 95 per cent of his time specifically in this area. He has been in the department for a number of years, providing advice with respect to international trade and tariffs. But his main purpose now is the Geneva talks and this round of negotiations.

There are others. Mr. Nisbit, who is under Mr. Meekison in the Department of Federal and Intergovernmental Affairs, has been extremely involved. I think you have to recognize that deputy ministers are not too much different from ministers. They don't have the time to take on this kind of work as a full-time responsibility. The chairman of the Alberta Grain Commission, Mr. Channon, has a very great deal of knowledge in the area of international trade and tariffs, basically as they relate to the grain industry. He has been in that industry for some 30 years or more.

In addition to that I mentioned we would have in our employ on May 1 an individual who was previously with Industry, Trade and Commerce in Ottawa, a fellow by the name of Mr. Bill Robertson, whom some of you might know. Mr. Robertson, who is a native Albertan, spent three years in the Japanese embassy in Tokyo and, I think, has a great deal of knowledge in the area of the Japanese market without specific reference to any one commodity. If I had the list from Business Development and Tourism in front of me, I could go through that too. I haven't.

MR. NOTLEY: Just to follow that for a moment or two, what is the working order in terms of engaging consultants with specialized knowledge? I've quarrelled a lot with government on consultants, but it

seems to me this is one area where it would probably pay to search out consultants of world renown, particularly people who have a very close working knowledge of the European market.

MR. MOORE: Well I would agree with the hon. member that it would be valuable if we could retain them. Unfortunately they're not that easy to find. On the other hand we are now in a position where we are looking for the possibility of some people who have an expertise in this area that we don't presently have within the structure I talked about.

At this point in time, to my knowledge at least, we haven't made any contracts or arranged for any assistance from consultants. But it is quite likely that that could occur in the very near future.

MR. CLARK: Very specifically, is Mr. Dennis McGrath still working out of the minister's office or involved in the department? Secondly, if he is, has he been working in this particular area?

MR. MOORE: No, Mr. McGrath has not been in our employ since — I'm not exactly sure of the date, but it's sometime prior to the end of 1976, perhaps November or December.

MR. CLARK: When the minister says, not in the government's employ, does that include a contract or any kind of arrangement? Is he no longer on a consulting basis with the minister?

MR. MOORE: At present we have no contracts or other consulting or employment arrangements at all with Mr. McGrath.

#### Ref. No. 1.1.7

MR. TAYLOR: Mr. Chairman, I wonder if the minister could give us some indication of the type of library this is. Is this a duplication of what we have in the Provincial Library? Who has access to it?

I ask this question because I notice quite a large sum for libraries in several departments, and we are constantly hearing criticism throughout the province that we're not spending enough money per capita on libraries. It seems to me we are probably spending a tremendous amount more on libraries than most other provinces, except we're putting them in decentralized form. I wonder if you could give us some information on those two points in connection with the Agriculture library.

MR. MOORE: Yes, Mr. Chairman. Although I'm not aware we've excluded the general public from the use of the library, primarily it serves as a library of information for the staff of the Department of Agriculture. All our district agriculturists, DHEs, regional staff, animal and plant science specialists, and so on, require from time to time — almost on a daily basis, of course — information that may be available about certain problems in connection with their work or certain things they want to know.

The library really has responsibility for assembling information on agriculture that may come from a great variety of sources: any of the dozens of universities in North America; our federal research stations, of which there are a number in the province; other

governments in other provinces, and that type of thing. Quite frankly we think the expenditure involved there is very useful in that it likely prevents us from duplication of effort, in terms of agricultural research and knowledge elsewhere in Canada or in other parts of the world. That's what it's all set up for.

I couldn't answer right now in terms of public access, except that the quarters it's housed in are not really that large. There's a librarian and some staff assisting in filing and bringing out material. While a few members of the public may go there for assistance, if very many started going, quite naturally we'd have to expand the operations considerably. I can say that if individual farmers go to a district agriculturist or a plant or animal science specialist within our department and ask for information, those people in turn would go here. So its aim certainly is to get to the individual producer to improve his situation.

DR. BUCK: Just following up on that, I think I have to agree with the hon. Member for Drumheller that the basic concern is that there isn't duplication of some of the library facilities. The minister is reassuring us that really they are just specialized libraries that deal basically with agricultural problems and agricultural publications.

MR. MOORE: Yes, that's true. This deals just with agriculture. But, for example, this booklet *Agriculture in the Multilateral Trade Negotiations* will undoubtedly be found in the library of the Department of Agriculture. Probably it will also be in the library here, because copies of it were filed in the Legislative Assembly. So there will be some duplication between the library here and that one with respect to things that pertain directly to agriculture. But the number in the library in the Legislature Building would be small indeed compared to what's in our departmental library.

Agreed to:

Ref. No. 1.1.7

\$159,222

#### Ref. No. 1.2.1

MR. CLARK: I'd like to ask the minister two questions here. How does what we're doing here tie in with the development of the government's overall research policy that we're supposed to receive sometime this session? I hope the minister will recall that in the last couple of years during the course of estimates I've tried to make the point: where are we going as far as relationships between the federal agricultural research work being carried on in Alberta and the research work that's being carried on by the province of Alberta are concerned? In other words, it seems rather foolish if we don't know what the other one's doing and aren't trying to complement the work. The federal work being done in Lacombe, Beaverlodge, and Lethbridge is, I think, certainly of more than passing merit and interest to farmers in Alberta. What kind of arrangement have we to see that we're not duplicating what's going on?

The other one is, how do we time this overall research policy that's being developed and that we've been promised this session?

MR. MOORE: Mr. Chairman, the research policy in the broad scope for the government that was indicated in the Speech from the Throne will be the subject of later explanation, I believe by the Minister of Advanced Education and Manpower. I'm not sure of that, but at least it will come forward before long.

It's probably inaccurate to think of the word research in the planning and research secretariat as being funds or a vehicle devoted to the traditional research done in the universities and so on. We have about seven people employed in the planning and research secretariat. Their main functions are related to specific programming within the Department of Agriculture. For example, that secretariat did develop and has some ongoing responsibilities with regard to the nutrition at school program. In addition they advise various sections of the department, myself included, with respect to requests that come forward to us for research assistance. If someone in the University of Alberta makes application to us for some assistance with regard to ongoing work with a variety of rapeseed plantbreeding, the secretariat does some brief research with regard to whether or not that's duplication of efforts in some other area and whether we have the same information available in the University of Saskatoon or some other university. They don't actually involve themselves in that kind of research.

They're more involved I suppose in planning and co-ordination in terms of development of various programs like the cow-calf support program and so on that we have within the department. They also do a considerable amount of work — at least one individual, Mr. Parlby, who's in the planning and research secretariat — with regard to land use as it pertains to agriculture. As time goes on I would expect they will be spending in total a great deal more of their time on land-use matters as well.

DR. BUCK: Mr. Chairman, when we're talking about a planning and research secretariat, I wonder if this is an appropriate spot for the minister to give us some indication on the deep-plowing program, what they've learned, is it successful, and is deep-plowing solonchic soils going to give us more productive land.

MR. MOORE: No, that actually occurs under the engineering division which is under family farm services, vote 4.2. I could perhaps give you some more information there.

Agreed to:

Ref. No. 1.2.1

\$360,846

#### Ref. No. 1.2.2

DR. BUCK: Mr. Chairman, I'd like to know if the minister has information, or will make it available to the committee, on the number of new agricultural societies that have been chartered since 1971; secondly, the number of \$50,000 grants that were given to these societies that have been formed since 1971 for agricultural complexes; the number and amounts of guaranteed loans given to these societies; and, if they're available to the members of the committee, the financial statements of these agricultural societies.

MR. MOORE: Mr. Chairman, I don't have information with me. I can get it with respect to the number of societies that were formed since 1971 or the number of grants given and the amount in each case. They're not all \$50,000. A great number of them vary from \$50,000 downward to a few thousand. I don't have the information with respect to the loans that were guaranteed either, but I could give you some broad information right now.

In the initial two to three years of the program — I'm not sure of that figure; it was either two or three years — assistance to agricultural societies for capital construction was funded actually through the Department of Advanced Education and Manpower and under the winter works program. It was not until 1975 that the dollars were funded directly from the Department of Agriculture vote. In the period since 1971, I can say that roughly \$3 million has been provided to ag. societies under that \$50,000 grant program. That would indicate perhaps 50 to 60 ag. societies receiving benefits.

But as for the details on the three questions that were asked, I would have to bring them back at another time.

MR. TAYLOR: Mr. Chairman, I'd just like to make a comment or two, and I'm speaking from the agricultural societies in my own riding and not elsewhere. I believe the program has been a real boost toward helping people to help themselves. I know agricultural societies don't have the main objective of building arenas and sport complexes and so on. Their main objective is to bring country and town together, to advance the causes of agriculture, and get a better understanding of agriculture by those who are not living on farms.

While these are the primary objects, and I think they are being carried out to a very splendid degree, in my view the contributions toward the complexes have assisted greatly in the realization of that objective. Town, rural, and urban people are brought together, and I have been really delighted with what I've seen in the complexes that have been built in the Drumheller constituency. I'd like to commend the minister on this. I would hope that more and more agricultural societies will spring up, because in my view they're doing a real service in creating better understanding between rural and urban people.

MR. BATIUK: Mr. Chairman, when the hon. Member for Clover Bar asked how many ag. societies had received the \$50,000 grants since 1971, could the minister advise whether there had been any \$50,000 grants prior to 1971?

MR. MOORE: I'll get that information.

MR. CLARK: Mr. Chairman, the answer for the hon. Member for Vegreville is no.

Mr. Chairman, to go back to the agricultural societies, I don't want to become involved in the question of whether the \$50,000 grant was a good thing or whether it wasn't. In my riding I can point to the situation at Crossfield and the situation at Olds, and I think there are mixed emotions about it. I say there are mixed emotions about it. But, Mr. Minister, what do you see down the road for agricultural societies?

I use the situation at Crossfield in my constituency.

They got an agricultural society going, were successful in getting the \$50,000 grant. They hold a get-together [with] the community and, I think twice a year, sponsor an agricultural day. But, Mr. Minister, now that we have the large number of agricultural societies in the province, what do we expect from these societies on a longer term basis? On one hand I know some of them are really tied up with the operation of facilities.

Really, part of the same question I guess is: what does the minister see happening with the Calgary Exhibition and Stampede and its desire now to move from the livestock show during the traditional summertime more to a livestock show sometime in, let's say, the February-March period of the year? What's the position of the department as far as this venture is concerned? Perhaps I'll leave it there for now.

MR. MOORE: First of all with regard to the future of ag. societies — and a good number have been formed over the last five years — the big difference between the thinking now and what it was, say, eight or 10 years ago is that we don't believe an agricultural society should just have a fair once a year and then kind of disappear. As well, we don't believe all their activities should be related directly to agriculture in terms of beef shows or something of this nature. Rather, the society itself can be an integral part of a community which includes a variety of things of a recreational nature, for example.

There is a great need today in rural Alberta to have the same kinds of facilities for our farm families that urban people expect. Indeed, that's why this program was put into place, so small communities who might get all tied up in the red tape of applying for assistance from some other programs could form an ag. society and do a lot of things that are ongoing throughout the year, and at the same time provide an opportunity for people to stage an agricultural fair or show.

We don't likely consider the applications for ag. society status. Indeed the hon. Member for Drumheller and the hon. Member for Grande Prairie, just to name two, can tell you that very recently requests came from their constituencies to form ag. societies. I questioned whether or not the full intent and purpose of the people involved was to promote and enhance the rural way of life and agriculture in general; and after some lengthy discussions with them and some advice from their MLAs, we concluded that indeed we should allow them to form an ag. society.

I want to say as well, Mr. Chairman, that in my two years of experience as Minister of Agriculture, what an individual community does in the formation of an ag. society depends a great deal on the local MLA. If he sits down with them and spends some time talking about the objectives they should pursue as an agricultural society — quite frankly, I've found some that I think did make application just to get a \$50,000 loan. But after some of my staff, the local MLA, and others talked to them, they came away with a new attitude and decided they were going to put on a fair and do some things that in my view are really important to do in agriculture. There are a great variety of differences, but we don't likely approve the formation of an ag. society.

As far as the Calgary Stampede board is concerned,

I've been told by both the Calgary Stampede board and the Edmonton Exhibition Association that they intend to pursue more than ever their interest and involvement in the agricultural industry in terms of shows. As to what approach they take in that regard, I'd have to leave that largely up to the Stampede board and the Exhibition Association themselves. But I do meet with them from time to time to discuss their involvement in beef cattle, dairy cattle, and other kinds of livestock shows, and other important areas of agriculture they've been involved in. While they may be changing their approach with respect to some of those programs, I don't have any hesitation at all in saying that both the Calgary Stampede board and the Edmonton Exhibition Association have, and I think will continue to have, a great number of people on their boards of directors whose prime interest is agriculture.

At the same time you have to bear in mind that they're involved in some very extensive capital expenditures, and the expenditure of dollars has to be repaid. To do that they must attract large groups of people, and they do. I suppose we are fortunate that they've been able to develop the kind of physical facilities they have, largely paid for by other activities, and that we're able to have livestock shows and so on there. I'm confident they will continue to work in that direction and won't simply become uninvolved in agriculture, catering only to the general public in terms of those who pay to see events.

I think it's well known that it's difficult to stage agricultural shows and get the costs back because, generally speaking, you can't charge people \$5 apiece to watch the bull show. It comes for free. Something else has to go with it where we can pick up the dollars to continue to do that. But I think they are doing a good job.

MR. PURDY: Mr. Chairman, just to expand on what the minister was talking about and the questions asked by the Leader of the Opposition. I think a lot of communities can probably look at extension of the farmers' market concept through these agricultural societies.

It has been done in the town of Stony Plain in my constituency. They've set up an agricultural market again that opened on March 5 this year and will run through until Christmas. They have about a two-month period when they are closed down. I would say they have done a commendable job to pass the word to the urban people about what agricultural societies can do. They have a variety of agricultural produce for sale. Right now people are bringing in potatoes, eggs, various things — anything you can think of except into the meat product end of it. It has worked quite well.

I think the province has also probably had a bit of their master plan around the farmers' market out of the town of Stony Plain. So I would say those people have done a commendable job of passing the word to the urban type of person who lives in that area. I meet a lot of them in the farmers' market on Saturday mornings.

It has now expanded: the summer village of Alberta Beach has taken up the farmers' market concept through its agricultural society. It appears it has caught on quite well in that little village. I went in there one day at 2 o'clock. They probably had 30

booths set up in their town hall, and by 3 o'clock in the afternoon everybody was sold out. The urban people were there from Edmonton buying it right up. So I thought it was really something to see this take place.

The question I would like to ask the minister: has he any information on how many farmers' markets are being run in the province under agricultural societies?

MR. MOORE: Mr. Chairman, I'm afraid I don't have that figure with me. I know there are a number. I'll try to get it.

MR. MILLER: Mr. Chairman, as far as I'm concerned, agricultural societies are the greatest thing that ever happened in rural Alberta. In these small villages they are the one thing that gets everybody involved. If you're not directly involved in agriculture in a village, you're indirectly involved. It's the catalyst that brings all the people together, whether they be from a village or from the country.

I welcome everybody to come and see the projects they've put up in my constituency, because they're fantastic. These people did it with sweat equity. They all got in there and the beauty of the thing was that we had farmers from 20 miles away on the east meeting farmers from 20 miles on the west, and the townspeople were out. They built these facilities not only for recreation but for their agricultural fairs. In my constituency, some villages of 100 people hold three-day fairs, with over 100 light horses in the show, agricultural products, and handicrafts. It's the catalyst bringing people together.

The only thing is, Mr. Minister: we've got to have more money in this program. I urge you to go to the Executive Council and see if you can't get your budget doubled.

AN HON. MEMBER: Hear, hear.

DR. BUCK: Mr. Chairman, that's exactly the problem. I certainly support all the statements made about the farmers' markets. I think they're excellent. I think they do bring the community together. They provide an opportunity for the urban people to come out and visit to see what the farming population is doing.

But what I want to know is how we're going to pay for the cotton-picking things. That is really the problem, Mr. Chairman. The minister well knows agricultural societies were formed strictly to get the \$50,000 grant. We as MLAs assisted the people in the areas involved. But what concerns me is that there was a complete lack of any kind of regional planning. In many, many areas all it did was get the people into some real financial binds. What I want to know is: what is going to happen now to get some of these agricultural societies out of these financial binds?

So, Mr. Chairman, I certainly would like to see the minister triple this estimate so some of these societies can get out from under this heavy financial load. The minister well knows — I mean, he's not naive. He's far from being naive. He knows there are some financial problems in many, many of these agricultural societies.

MR. NOTLEY: These Tories are political virgins.

DR. BUCK: I don't think the Tories are political virgins, Mr. Chairman, as the hon. Member from Spirit River-Fairview says. But the reason I wanted the information on the number of government guaranteed loans, the financial statements, and all these guarantees is what the people of these small communities are going to do, what help they're going to get from the government. Because they are government initiated programs, and the number of people involved in some of the smaller societies just cannot carry the financial burden.

We all well know, all the MLAs, [that in] many societies where the interest is mounting up into the fifty, sixty seventy thousands of dollars, a cent has never been paid on the interest, leave alone talk about lowering the principal.

So, Mr. Chairman, I endorse what the members say about the good portions of the program, but I just want to know where we're going to get the money to pay off the debt and to operate. That's what I'd like to know from the minister.

MR. MOORE: Well, Mr. Chairman, the hon. member is rather ill-informed on what's going on out there. Perhaps half a dozen out of a hundred ag. societies have some financial difficulties. We've been working with them. We've been assisting them in a variety of ways, including trying to get help for them from the major facilities grant, which has worked in some cases. And we've been able to help them.

I have no doubt that if we had not moved in 1972 with a major program of assisting ag. societies, there wouldn't be any in trouble and there would be a hundred communities in rural Alberta that would not have the kind of spirit the hon. Member for Lloydminster talked about.

Quite frankly, Mr. Chairman, it was our view that we could no longer follow the Social Credit approach of doing nothing for rural Alberta, and we went on this program and a number of others. I'm not ashamed of it. I'd like the hon. member as well, Mr. Chairman, to advise me of the names of the ag. societies that formed a society only for the purpose of getting a grant. I'd like to know which ones they are, and perhaps some other members would like to know too. I don't know of any.

DR. BUCK: Let's not have that kind of thing.

MR. TAYLOR: Mr. Chairman, I feel that I have to say a word or two in defence of the agriculture societies with which I'm acquainted. The grants that were given by the government to these agriculture societies — certainly in my constituency, and I understand province-wide — don't in any way pay the total cost of the complexes that have been built. Not in any way. The fact that there's a grant there simply spurs the people on to do more work. And most of them are not naive. Most of them are good business people. They think the thing out, and they know they have to operate it afterwards.

My view is that it would be a mistake for the government simply to take over and pay the total cost of these complexes, because today there are millions — and I say millions advisedly — of hours of volunteer work going into these complexes. If we valued that, we'd find that the grant per capita was a very small amount. But it has spurred the people on to

help themselves. And whenever I've had an opportunity to speak at these events, I've always said to them, there's a place for the government and government grants to help the people to help themselves.

I think that's what this program is doing — not to take over from them, but to help them. The fact that people are prepared to put up money, put up hours of work, makes the community a better community. In that respect, I think these grants have done a tremendous job.

There's one other aspect that very many people don't know about. There are times when agriculture societies get over-enthusiastic and spend more than they originally intended to spend. That goes for farm more than agriculture societies. But I have found that when they apply for their grant, in the talks they are able to secure from the Department of Agriculture, perhaps the minister himself or his assistant or someone who is dealing with the grant says to them: "You're borrowing money here; you're borrowing money there. Now this all has to be paid back. Let's get this thing into a composite hole so you know what you're doing. Handle your money efficiently; pay this debt off; and don't put this enlargement on for the moment." And I've found that these people are very ready to accept that type of suggestion.

While I'd like to see more money for agriculture societies, I can't see where we would want to give any individual society more than what we're doing right now. In my view there's a danger of killing the spirit of volunteer work if they can simply get grants by asking for them. When the grant is there to help people to help themselves, then it does a tremendous job. I think that's what it's doing now, and that's the way I'd like to see it remain.

MR. APPLEBY: Mr. Chairman, the hon. Member for Drumheller has said many of the things I was going to talk about, but I think what we have to underline in this particular instance is the matter of responsibility in the individual and in society itself. That has to be the basic concept. It is a matter of self-respect for the individual in the community and, as an individual as part of that community, what is developed within that community. It's also a matter of self-reliance.

Certainly the agriculture societies have received some assistance from the government, but in no way do I think that because a few of them are perhaps in difficulties at the present time the government should have to undertake the necessity of trying to help them find their way out of the wilderness by necessarily giving them further grants.

I think perhaps they need some management advice. This can be supplied. But the community itself is the one that is going to achieve the ultimate objective of getting this facility completed so it can have some pride in that achievement. If somebody walks in and does all this for it, that pride of achievement is lost. And that's something basic within our society today. We take away all the initiative from people.

I don't think that in the circumstances they find themselves, they should be encouraged to go looking for further money from the government. They should be encouraged to go, perhaps, to some other society that has been successful and say: how did you do it, how did this come about there? But in no way should it be a case of: well you helped us get started, so it's

your problem from here on in. I don't think we should approach it with this aspect at all, Mr. Chairman.

MR. CLARK: Mr. Chairman, first of all I'd like to start with the minister's comments with regard to the Edmonton Exhibition and the Calgary Stampede. I must say that I don't always agree with the minister's comments, but in this particular case I do, and I commend the minister for his attitude. After commending the minister for his attitude, could I ask what happened to the indication from the government — I think it was two or three years ago, perhaps even four years — that there would be some capital assistance to the Calgary Exhibition and Stampede for some new agricultural facilities in Calgary?

MR. MOORE: First of all, Mr. Chairman, there was no indication from the government that there would be some capital assistance for a new agricultural complex. I think that indication came from the Calgary Stampede board by way of some requests.

Quite frankly, the Calgary Stampede board got into some difficulty as a result of the construction of their grandstand that was supposed to be constructed with loan funds from the government of Canada, which were guaranteed by the province. Those loan funds did come forth and were guaranteed by the province, but the interest rate was considerably higher than what had been originally anticipated and indeed what had been announced on one occasion during a federal election campaign.

I think those difficulties are now largely resolved in terms of their ongoing cash flow and financial projections, and they were assisted in that regard by our commitment a year ago to provide them with 1 per cent of the parimutuel bet or 20 per cent of the tax collected by them on behalf of the government of Alberta. A further explanation there: a 5 per cent tax is collected provincially on all of the parimutuel bet. They are keeping one percentage point of that 5 per cent tax, which in 1976 brings them roughly \$400,000. Of course that will increase as the total parimutuel bet increases. So that's helped them out considerably, because it's an ongoing refund to them. We haven't yet got a mechanism in place to do that, which may be by way of amendments to The Amusements Act.

There are some difficulties with respect to the federal Criminal Code, which has a section dealing with the amount of funds that may be retained by an operator of a race track. However in the meantime we would, as we did this year, continue to provide that amount by way of special grant after the taxation year has been completed.

Insofar as the agriculture complex proposal at Calgary is concerned, I'm not aware that any firm resolution has come from the Calgary Stampede board as to what they would do. They do recognize, however, that an agriculture complex cannot be built just to operate for agricultural shows. The capital costs of such a structure now, and the land costs and so on, really demand that its major use be for some other activity.

My understanding is that they are having discussions within the Stampede board now about whether there's a possibility of providing some kind of accommodation much cheaper than a traditional building structure such as inflatable tents and so on, for that

10-day show during the summer and perhaps two or three other shows throughout the year. It's also my understanding that they're considering the possibility that the old corral, I guess it is, could be diverted to an agricultural building as opposed to its present use, and that there might be some developments with regard to a structure such as the present Coliseum here in Edmonton, for hockey or some other such thing, that might involve the Stampede board's being able to utilize some of their existing facilities for an agricultural building or complex. But I have to say, Mr. Chairman, that I know those are ideas that have been discussed by the Calgary Stampede board. Some of them were discussed with me, but insofar as I'm aware, they certainly haven't come to any conclusions at this point as to what their future expansion plans might be.

MR. CLARK: Mr. Chairman, just to follow up the minister's comments. Mr. Minister, your understanding isn't quite the same as mine: that several years ago, before you became the minister, a commitment was made by the Alberta government that some long-term funding at a pretty reasonable rate of interest would be made available to the Calgary Exhibition and Stampede for some capital facilities. That money hasn't been forthcoming from the province. Now it may be one thing to blame the federal government for not living up to election commitments but, Mr. Minister, I think in fairness — and noting the smile on your face — that the same charge could likely be made of this provincial government.

My question to you, Mr. Minister, is: in the course of your term as minister has there been any representation to you from the Calgary Exhibition and Stampede about a commitment made by this government or by the former minister with regard to assistance to the Calgary Stampede for agricultural facilities?

MR. MOORE: Mr. Chairman, the hon. Leader of the Opposition is quite incorrect. My information about what happened with regard to the federal loan is correct and true. A loan was indeed offered by the federal government at an interest rate far below what it was finally provided at, and it made a very substantial difference in the costs of paying off the construction of their grandstand. Insofar as any commitment made by the government of Alberta to fund an agriculture complex with an amount of money at a specific interest rate, no, the Calgary Stampede board has not come to me and said, this government made this commitment, how about carrying through with it. I've had a great number of discussions with them about financing both the existing grandstand, which is an ongoing cost to them in terms of repaying capital, and anything they might do in the future. But the hon. member is incorrect in saying there was a commitment by the government to provide them with a certain amount of funds for an agriculture complex.

MR. CLARK: Mr. Chairman, just so that we're not talking about two different things here: the minister is quite careful to say "a commitment by the government". My question to the minister is: has he had discussions with officials or representatives of the Calgary Exhibition and Stampede about a commitment for long-term financing made by the former Minister of Agriculture?

MR. MOORE: It appears, Mr. Chairman, that the only one aware of those commitments is the Leader of the Opposition. Certainly I would have expected that the Calgary Stampede board would have brought it forward if the commitment was made. I haven't had any discussions with them about that kind of commitment.

DR. BUCK: Mr. Chairman, getting back to my concern about what we're going to do to assist agricultural societies that have major recreation complexes that are in financial difficulties. Can the minister indicate what marriage there has been between the agricultural societies that have built the complexes and the major facilities program, to assist some of these complexes that are in financial difficulties? Is the minister in a position to indicate that?

MR. MOORE: There's no real difficulty at all, in that the major facilities program is structured in such a way that capital funds from that program can be used for a project that an ag. society is involved in. And vice versa, capital funds provided by grants under the ag. society grant program can be used to assist in projects where there are funds from the major facilities recreation program. Indeed I don't think it should be any other way, because we're trying to encourage ag. societies, area recreation boards, villages, towns, school boards, and so on to get together and work jointly on some of these projects. I think we have a number of fine examples of school boards, local government authorities, agricultural societies, and indeed a lot of service organizations like Kinsmen clubs, Lions, Elks, and so on that have all worked together to put up a complex. There's been no real marriage. We're just using the terms and conditions of both the major facilities program under the Department of Recreation, Parks and Wildlife and the ag. society program. All it really takes is a little leadership by staff in my department and that of the Minister of Recreation, Parks and Wildlife to bring it about.

DR. BUCK: A question to the minister, Mr. Chairman. Is the minister in a position to indicate how many of the agriculture complexes towns, villages, counties, or municipal districts have had to take over since the program was initiated? Where there was just no way that the groups involved could raise money from chicken suppers and what have you to pay the interest on some of these complexes, \$27,000 and \$30,000, can the minister indicate how many have had to be taken over by municipalities, regardless of whether they're small or large municipalities?

MR. MOORE: There are a number of projects that an agricultural society is involved in and assisting on municipal land and in fact owned by municipalities. But I'm not aware of any that have been owned by an ag. society and taken over by a municipality. There could be one or two, but I'm not aware of any. I will check and see.

DR. BUCK: Mr. Chairman, I'd like to say that I think we shouldn't go through this vote without giving credit where credit is due. I think my honorable friend the Member for Barrhead has to be complimented on a few of the good things he does. I think the gentleman responsible for this office of the Farmer's Advocate is doing an excellent service for the people and especially the farmers of this province. I've seen many dedicated civil servants. When you lay one on this gentleman Mr. Entrup, he really goes to work. He's genuinely concerned about trying to help the farmer. Especially in surface rights problems, he really does a good job.

So Mr. Chairman, I think it's only right that when we hammer a few people we should hand out a few bouquets. I would like to hand one out to the Farmer's Advocate, Mr. Chairman.

#### Ref. No. 1.2.4

MR. NOTLEY: Mr. Chairman, on 1.2.4, I wonder if the minister is in a position to bring us up to date on where things now stand in the Surface Rights Board as a result of the rather unfortunate situation which occurred last fall. I gather Mr. Nielsen is now the chairman of the Surface Rights Board.

In addition, Mr. Doan on several occasions and just recently the Member for Redwater-Andrew again raised this question of the old Imperial Oil leases and the renegotiation. So I wonder if the minister could (a) bring us up to date on where things now stand in the operation of the Surface Rights Board, and (b) comment on the Imperial Oil surface rights leases in Redwater.

MR. MOORE: First of all, Mr. Chris Nielsen, who was formerly the board chairman for some four years, has been appointed chairman of the board. We had an acting chairman for some four months, I believe, in the person of Mr. Ken Spread, also a board member. That leaves us with one vacancy out of six board members. We're presently advertising to fill that vacancy. As far as the former board chairman is concerned, my understanding is that charges have been laid against him. That is proceeding through the courts and has not yet been concluded.

As far as the Redwater situation is concerned, I met with representatives from the Redwater area and received their views with respect to the kinds of criteria they felt should be used in the voluntary upgrading of existing surface leases. I then forwarded that material to Imperial Oil's land manager, with whom I had some further discussions. While I don't have all the details with me, they agreed to make some changes, which did not completely satisfy the group from Redwater but went some distance beyond what they had previously done.

For example, some of the leases referred to had expired, say, in 1974 and were still the subject of negotiation a year and a half later. Imperial Oil said that in the final resolution of those leases, in rewriting them they would make the starting date retroactive to when negotiations first began. That will be of some assistance in that a mandatory requirement that they be reviewed again in five years was built into the new leases entered into voluntarily. So in effect it means that a farmer signing a lease now has the possibility of having it reviewed three years

Agreed to:

Ref. No. 1.2.2

2,815,000

Ref. No. 1.2.3

127,468

hence, if in fact the negotiations were started some two years ago. So that's one area where they changed their thinking as a result of the involvement.

But I did say to the group from Redwater that while we were encouraging the oil industry to upgrade surface leases voluntarily, we had no authority under The Surface Rights Act to require them to do it. My objective has been to urge the industry continually to do that upgrading. I'm pleased to say that it has progressed very, very well.

I think it's safe to say that very close to 100 per cent of the leases have been upgraded, where the decisions the industry makes are made in this province, namely in Calgary. The ones we've had difficulty with are generally smaller companies with their headquarters and head offices outside Alberta or Canada. I've taken the privilege of writing directly to some of those, advising them of the government's view in regard to upgrading. I've got some fairly good results as well.

All I can say to hon. members is: if there are occasions where an oil company or another surface rights holder is not co-operating in upgrading a lease, hasn't even answered letters requesting the upgrading, advise my office and I'll do what I can to urge them to do so.

MR. NOTLEY: Mr. Chairman, then at this time there would be no consideration of legislation which would in fact go past or beyond 1972?

I suppose it would be a little early, but if my memory serves me correctly, this is the fifth year since The Surface Rights Act was passed. So we would be getting into the situation this year, would we not, where some of the 1972 leases would be up for renewal?

MR. MOORE: That is correct, Mr. Chairman. Perhaps it's an appropriate time to advise landowners who have surface leases written after that new legislation came into effect that the legislation is written in such a way that they must make application before the expiry of the lease. If hon. members would check The Surface Rights Act as it was amended at that time, they will see there is a possibility that an individual who does not ask for that review during a specified time period may become ineligible to receive it until another five years have elapsed.

Through the department and the Farmer's Advocate office, I'm attempting to get information out to farmers in that regard so they don't come along later and say, we didn't know. So that's one area where there may be some difficulties with people who simply didn't read the legislation or weren't knowledgeable about the procedure required to get their lease upgraded.

While I'm on my feet, Mr. Chairman, I've received information with regard to the number of farmers' markets supported by agricultural societies. Out of 46 farmers' markets, 21 are supported by agricultural societies.

MR. NOTLEY: I wonder if I could just review this question. I think it's very important that leaseholders be notified. I don't suppose we would have the names of all the people because they are subject to voluntary lease agreements. But how are we notifying them? Will it be through newspapers? Since

you've made this comment in the House today, obviously members would be well advised to put this information in their local MLA columns. But beyond DAs being asked to bring this to their attention, what sort of mechanism do we have in place so that people who might be eligible not only this year but in future would know their rights?

MR. MOORE: Mr. Chairman, I've checked into it. I don't believe it is possible for us to identify them and individually mail them a pamphlet or something with respect to their rights.

But I said earlier this session in the Legislature that I hope to have developed shortly a pretty comprehensive pamphlet in layman's language that would indicate the individual's rights. In that regard I would hope we can distribute it rather widely throughout farm organizations, district agriculturist offices, and so on.

In addition, if hon. members think it would be beneficial, I could try to develop perhaps a one-page summary of that section of the act so it can be understood by members. I'd be pleased to try to do that within the next week and provide members with a copy so you might put it in your local papers or whatever use you want to put it to.

MR. NOTLEY: First-rate.

DR. BUCK: Mr. Chairman, getting back to the question of surface rights. I know the Redwater people have been very active, and the people in the Hay Lakes and Armena areas have been nearly as active. I'd just like to know: are there other areas in the province where there have been concerted efforts by local groups to have an updating and re-evaluation of the surface rights, or are these just particular problem areas? Can the minister enlighten us on that?

MR. MOORE: Well, to my knowledge there are no very large companies with very many leases that have not followed through and made a progressive effort to upgrade the leases. Bear in mind that something in excess of 200 companies hold surface leases in Alberta. No, that's inaccurate. It's far beyond that. I'm not sure of the figure. It's closer to 2,000 in total, I believe. Some hold one lease, some two. Some have wells that are inactive and have been for years.

All I can say is: in total, I'm really pleased with the success we've had in the voluntary upgrading program. At the moment I'm not aware of any large areas of the province, or any one company that has a great number of leases that hasn't moved.

MR. CLARK: Mr. Chairman, frankly I was going to ask about the pamphlet the minister talked about in question period. When will it be ready and ... The minister goes "yea".

MR. MOORE: I don't know. I think it was only the day before I replied to that in question period — and it wasn't after, incidentally — that I instructed my staff to get to work on it. It arose as a result of some discussions I had just previous to that statement with the new chairman of the Surface Rights Board, wherein I asked him to meet with me and express any concerns he had about problem areas. That was one

of them. So I would hope that we would have it ready in a few weeks time. But, Mr. Chairman, I can't say what the date would be.

MR. CLARK: Will that kind of approach be available through DAs' offices and so on?

MR. MOORE: Most certainly. We would want the widest distribution of that type of thing.

MR. STROMBERG: Mr. Chairman, I wonder if the minister could indicate how Imperial Oil's leases stack up — or the agreement Imperial Oil has reached with other oil companies such as Phillips Petroleum, say in the same section. Does Imperial pay more in other provinces for their leases than in Alberta?

MR. MOORE: Mr. Chairman, I would find great difficulty in comparisons, because basically we're dealing with half a dozen different factors: loss of land, inconvenience. In some places you're dealing with grazing land, sometimes bushland, sometimes cultivated land. Every situation varies. It's very, very difficult to make comparisons between one company and another as to what they're paying. Indeed I find that individual companies vary their compensation considerably across the province, depending upon the use of the land and the quality of the land.

The Surface Rights Board indeed varies its awards a considerable amount for the very same reasons. I would not want to think we should fall into a pattern of so many acres, so much money, because there is a great difference between land values, the inconvenience that might occur, and so on.

MR. ZANDER: Mr. Chairman, I just want to reply to some of the questions dealing with the Surface Rights Board, and also with the Farmer's Advocate. Basically I think the minister has stated that there is considerable difference between companies that make awards. But it's basically not the difference in dollar value; rather the difference in the location of the well site, and also the location of the land, whether it's in seeded land, grassland, or swamp.

I can give you one example which is in my constituency. It's on cultivated land. It's very rolling. Although they've taken approximately eight acres, the latest award by the company — this was not by the board — was made at \$4,000 right of entry and a yearly rental of over \$1,100.

So I think we have to give the companies the benefit of the doubt. They've been very co-operative, at least in my constituency. And the board has been very, very co-operative. I went out with them on one occasion, and I found them very receptive to the basic facts — the farmer's arguments of what they have. I don't think it's always in favor of the oil company. I think they like to get it about as equal as they see it and make a decision on the basis of where the well site is. To compare one well site with another one is just unfair, because it depends on the type of soil, on the acreage or whatever the case may be in agriculture, or whether it's pasture land.

Briefly, in the main I think most have to do with pipelines. Now that pipelines have come under the purview of the Surface Rights Board, effective January 1, 1977, I think we are going to find a change in that also.

DR. BUCK: Just before we move off this item, Mr. Chairman. When some of the well sites are being abandoned, Mr. Minister, I know it's really difficult to . . . I believe the section of the act says, return it to its normal productive level. I forget the exact wording, but in essence that's what it means. I have never yet had a farmer really feel happy that the land was returned to what it was before the road was put in, before the well site was put in. I would just like to know if the minister can indicate to us if this has been a major complaint to his department. He can start there.

MR. MOORE: I wouldn't say it has been a major complaint. But certainly there is a problem with some companies that hold surface leases not returning the land to the best possible condition. It develops to a large extent from contractors they hire and so on. Nowadays they are required to strip topsoil and pile it in a place where it can be relocated onto the top of the soil. That may not have occurred if some bucket operator thought the topsoil was 18 inches deep when it was only 6. After the fact it's a little difficult to do very much about it. But certainly I believe it's under The Land Surface Conservation and Reclamation Act that inspections are made by the Department of the Environment and either approved or not approved.

I can only say, Mr. Chairman, that it is a problem in some areas. As to how it's totally resolved, I don't think it ever can be. But certainly if members feel there is a route we can take to make improvements on that reclamation procedure on well sites and so on that have served their useful life I would be pleased to hear them.

DR. BUCK: Well, Mr. Minister, being a farmer and knowing farmers, you know that after a while they just sort of give up. They keep complaining and complaining, and somebody comes back and moves a little bit of dirt, a little bit of clay, and a few rocks. Then after the fourth or fifth time the farmer says, oh forget it, and he signs the release. So I want the minister to be aware that this does happen — I know he is aware that it happens — that in many instances the farmer just finally signs the release in frustration and the land is not returned to its original quality.

MR. STROMBERG: Mr. Chairman, my second question to the minister wasn't exactly answered. I was interested in a comparison of what Imperial is paying in some rather poor land in Saskatchewan compared to some pretty good land in the Armena-Hay Lakes area of my constituency. Could the minister get those figures of the latest amount paid for leases in Saskatchewan by Imperial Oil, with a view to comparison with Camrose land?

MR. MOORE: Mr. Chairman, quite likely I could get figures, but I'm not sure I could say they would be accurate in terms of comparisons.

Agreed to:	
Ref. No. 1.2.4	\$515,639
Vote 1 Total Program	\$7,309,975
Ref. No. 2.1	\$679,035

**Ref. No. 2.2**

MR. CLARK: Mr. Chairman, I wonder if the committee would be agreeable to holding 2.2 until Wednesday. We're not going to get through all the Agriculture estimates this afternoon. In light of the situation my two colleagues find themselves in — I trust they'll be here by Wednesday — because of their interest in irrigation, I wonder if we could hold that. I wouldn't ask that if they were out of the House for any reason other than being prevented from being here by the weather.

MR. CHAIRMAN: You've heard the request by the hon. member. Do you agree?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We will hold 2.2 until the next sitting of the committee.

**Ref. No. 2.3**

MR. CLARK: Mr. Chairman, I'm sure the minister doesn't expect 2.3 to go past without a few comments and questions. I'll start off the questioning. Is the minister in a position to indicate to us the status of the loans the Agricultural Development Corporation is carrying as far as the program that was announced two years ago and then carried over last year? And the program announced this fall that came into effect — the \$40-odd million the government paid out. What is the status of the loans? I recognize that the first call on money this year was to make payment on loans that were back . . . But I think there's a lot of concern, Mr. Minister, with regard to where the minister sees the beef industry going from here. I think we've all expressed our desire in the House that prices go up. I suppose it's a matter of crystal ball gazing in some respects, but at least the minister has the benefit of the agricultural outlook conference and the marketing intelligence division.

DR. BUCK: The CIA.

MR. CLARK: I recall the minister saying in the House that this was one of the finest organizations that any department in Canada had, so we would naturally expect the minister to be able to do a bit of crystal ball gazing as to the beef industry.

MR. NOTLEY: Within two or three sentences.

MR. CLARK: Well, we would give him even four or five sentences. I think, Mr. Minister, in light of that statement you made about the competence of the people in this area and how well the department is equipped in this area, we'd welcome some general comments. We'd get a bit more specific after that.

MR. MOORE: First of all, Mr. Chairman, the reason I provided copies of that document to all members of the Legislature was so they wouldn't have to listen to me go through it page by page during the question period. They could read it at their leisure.

MR. CLARK: You're not sure if it was a wise move, now?

MR. MOORE: In two or three sentences, the outlook for the beef industry is indeed much improved from what it has been for the last two or three years. That's as a result of the herd reductions in North America, both in Canada and the United States, as well as what we think is a commitment by the government of Canada to reduce and to hold down the level of offshore imports.

I must advise, however, it's incorrect for anyone to say we had quotas on the importation of offshore beef. The Senate committee inquiry into stabilization in the beef industry was told by Industry, Trade and Commerce, in fact we don't have any quotas. We have the same kind of handshake agreement we've always had with Australia and New Zealand, wherein if they exceed certain levels of imports into Canada on a quarterly basis, they will sit down with the Canadian government and talk about what to do about it. In the meantime, I hope the ships aren't bringing over more and more and flooding our market. One can only hope that that level, I believe 144 million pounds, of offshore beef coming in this year will be maintained. It's quite frankly our view that it should be less than that, that we have within the U.S. and Canada enough slaughter cows and cheaper types of beef to fill the market that kind of beef is intended to fill. Indeed there's no question that during the course of 1976 a fair amount of that beef from Australia and New Zealand was going onto the tables in the form of something other than hamburger, being sold as roasts and so on mostly in eastern Canada and the province of Quebec.

After having said the outlook is good, I place that one caveat on it: what kind of trade arrangements are made by the government of Canada. If they throw the borders open again, we'd probably [inaudible]. The second caveat I'd have to place on a good outlook is what the consumer is going to do if beef prices begin to rise. Quite frankly I don't know the answer to that question. It's my hope that they will continue a level of purchases equal to 1976, which was well in excess of 100 pounds of beef consumption per capita. But if in fact the price of good quality beef on the supermarket shelf rises across North America and a reaction to that lowers the consumption, it's quite easy for individuals to understand that a cutback of 7 or 8 per cent in the amount of product we have for sale won't assist us that much if there's a corresponding or even greater cutback in consumer purchases.

Aside from those two factors, average incomes in the United States and Canada are certainly more than adequate to buy the kind and amount of beef bought in past years. They've certainly been going up a lot faster than beef prices have. I think the outlook is reasonably good. Indeed we wouldn't have gone into the cow-calf support program or the loan program if we didn't feel that the numbers in Alberta were about right, and that the people who are in the business now should continue.

Insofar as the loan program is concerned, the member is correct in saying that the first call on loans this year will repay loans that may have been provided in earlier years. That was true a year ago. We don't have the figures for the number of loans made this year as opposed to last year. I would expect to have them in perhaps two or three weeks. They are not computed yet. In 1976, Mr. Chairman, I believe

the figure on the lending program was in the area of \$33 million. This budget includes, within the vote we're on now, an amount of \$1.5 million for the continuation in 1977 of the loan program if we make that decision. We've made no commitment to continue it yet, but the budget does contain that amount of money to pay the interest between whatever the lending rate is and the 7 per cent it's been the last two years.

MR. CLARK: I would refer the minister to page 19 of the report. It talks in terms of implications for the general economic outlook for Alberta. The last paragraph says:

The livestock industry has long-term importance in Alberta's economy. Hence, the current stagnation, both in primary and processing aspects, must be viewed with alarm. Assistance, by way of policy changes, in consultation with industry, as well as financial incentives, despite expenditure restraints by the Provincial Government need to be examined.

Mr. Minister, would you care to square this comment by the marketing intelligence division of your department with the comments that have just been made? I recognize that what you say about trade agreements as far as the government of Canada is concerned and consumer attitude are both variables. At the same time I think we have to recognize the political facts of life in Ottawa today and the possibility of a federal election within two years. My assessment of the anti-inflation program, for what it's worth, is that the agricultural industry is one of the major portions of society that's carried the brunt of that program. To quite an extent the federal government has used offshore beef simply as a means to point to some success as far as the anti-inflation program is concerned. Farmers, especially Alberta farmers, to a very great degree have carried the success of the anti-inflation program on their backs — especially the beef producers.

With a federal election in the offing in a couple of years, and with some of the actions of the federal government over the past period of time, I wish I could share the minister's enthusiasm for the kind of handshake arrangement the federal government has. My experience in the last year tends to point [out] to me that, depending on what they do with the anti-inflation program, during the next period of time the consumer will be able to put a considerable amount of pressure on the central government to back off this kind of handshake arrangement. I'm afraid we're going to see more offshore beef getting into the Canadian market. We in Alberta are the losers from that point of view.

So I ask you, Mr. Minister, just where this leads us in light of the political circumstances in Ottawa, and in light of the comment made in the market intelligence division's report about a need for a new look at this thing as far as Alberta is concerned. I'd be very interested in the minister explaining this last paragraph in light of what he's just said.

MR. MOORE: Mr. Chairman, I find nothing strange or out of order at all about the last paragraph in that statement. Indeed it indicates we're on the right track in terms of trying to assist the beef industry on a wide variety of fronts. Talk about trade and tariff

policies, and the imbalance between ourselves and the United States and the tariffs with respect to processed beef. Talk about financial support to the industry: a \$43 million program, cheques from which were going out the last two weeks and into the next two weeks. Consultation with industry. Indeed I announced on Friday morning, in the initial remarks I made on this budget, the kind of arrangement we are going into with the Alberta Cattle Commission to provide marketing information: a phone-in service toll-free to anyone in the province with the prices changed three times a day. A great variety of things. My trip with the hon. Member for Lloydminster to Ottawa, before the Senate Committee to tell them for the first time what effect oceanic imports had on our cow prices in 1976. We're doing exactly what that paragraph says. And we're going to continue to do it.

MR. CLARK: That's a very interesting response from the minister, because if the minister will check, this document is dated January 1977. Let's not try to kid the troops too much, Mr. Minister. Are you trying to tell us that the government wasn't concerned about freight rates and tariffs until after January '77? The financial support program, Mr. Minister, was announced late last summer or early fall.

MR. MOORE: Did you not want it?

MR. CLARK: It isn't a matter of, don't we want it. Don't be ridiculous. It's a matter of. . .

MR. CHAIRMAN: Will the hon. member address the Chair, please.

MR. CLARK: Yes, Mr. Chairman. We don't need the minister to be ridiculous.

This document done by his department is dated January 1977. Now, the government's concern about freight rates and tariffs has been of longer standing than since January this year. The government announced its program to the beef producers of this province late last summer or fall.

On this matter of consultation with industry, certainly we've had consultation with industry prior to January this year. Now the paragraph says, and I'll read it again:

The livestock industry has long-term importance in Alberta's economy. Hence, the current stagnation, both in primary and processing aspects, must be viewed with alarm.

This is dated January of this year.

Assistance, by way of policy changes, in consultation with industry, as well as financial incentives, despite expenditure restraints by the Provincial Government need to be examined.

I read this into the record again, pointing out again that the date of this report is January 1977, long after the welcome announcement made by the government as far as financial support to the beef industry is concerned. Certainly the government has been involved in consultation with industry prior to that. In fairness to the government, they've been involved in the freight rate and tariff questions prior to January of this year.

My question to the minister is: in light of this kind of comment, we see the budget for the Department of Agriculture being cut back this year, certainly not

increasing along with the 10 per cent guideline, or the 15 per cent increase in the overall government expenditure when you take in the \$122 million in the heritage saving trust fund, capital projects portion. I simply see a marked contradiction between what the marketing intelligence division of Agriculture is saying and what the government is doing. I ask the minister to explain it, pointing out that this report is dated January 1977, after the three areas the minister talked about had been already aired. I assume the market intelligence division knew of those initiatives by the government. I assume they took those things into consideration when they wrote this report.

MR. MOORE: Mr. Chairman, it's readily known that the Leader of the Opposition does have trouble understanding from time to time. I see nothing whatsoever wrong with officials in my department who are developing this document saying that the problems in the industry need to be "viewed with alarm". Indeed they've been viewed with alarm for some time by this government. We've taken a variety of steps to try to correct them.

I don't happen to have any control over who's elected at the federal level. I'm just as concerned as the hon. Leader of the Opposition about what might happen with regard to oceanic imports and so on. We've made representations in the best way we know how.

Indeed the only difficulty I can recall, in the area of our pursuing a better deal for Alberta farmers, including beef farmers, is the statements made by the Leader of the Opposition after the Speech from the Throne about the importance this government was placing on tariff and trade matters as they [related] to agriculture. If we'd had that kind of importance placed on those matters in 1969 and '70 it might have been quite different. Unfortunately we didn't have. That's the situation.

Insofar as I'm concerned, Mr. Chairman, we're going to continue to support the beef industry in this province. It might be helpful from time to time if we had the comments of the Leader of the Opposition about what his position was . . .

DR. BUCK: Now you're skating, Marv.

MR. MOORE: . . . with respect to a \$43 million program of assistance to the beef industry. I don't recall that we had support one way or the other. From some hon. members, yes we did. They said, you should support [it]. But, Mr. Chairman, all I've ever seen from the Leader of the Opposition was waffling.

MR. CLARK: Mr. Chairman, with great respect for the minister's comments about the Leader of the Opposition having difficulty understanding, I would simply say this: it's very easy to draw that kind of red herring across when you've got nothing else to say.

Here is the market intelligence division of the Department of Agriculture coming along and saying, despite provincial restraints the government should take some initiatives. We look at the budget and see no initiatives. Now we have the minister getting up and saying, the Leader of the Opposition can't understand. It isn't too important whether the Minister of Agriculture feels the Leader of the Opposition can understand or not. The fact is that the farmers will be

able to understand rather well what the marketing division of Agriculture is saying and what the government is doing.

Now if the minister has a problem trying to get more money from his friend the Provincial Treasurer, that's one thing. But for the minister to try to give us the impression that we're not getting more money because he doesn't know where the Leader of the Opposition stands on issues: little did I know that we played that important a role in the minister getting additional money.

In light of that, I can point out to the minister that we can spend a bit more time in these estimates. We'll try to give him some help so he can get some money in some of the areas he needs it.

Frankly, Mr. Chairman, for the minister to say that he doesn't see any contradiction between a reduction in the agricultural estimates and this sentence:

Assistance, by way of policy changes, in consultation with industry, as well as financial incentives, despite expenditure restraints by the Provincial Government need to be examined.

The minister hasn't told us even one of the areas he's been examining, let alone trying to put some additional money into it. Who's having the difficulty understanding? We'll leave that to the farmers to decide.

MR. NOTLEY: Just to pursue the current question. Do we have any statistics at this point in time as to the number of people who were not able to receive the cow-calf assistance program because of the \$8,000 ceiling? I realize that after the program was announced in the fall, certain changes were made that allowed averaging. Do we have any overall statistics as to the number of people who were not eligible as a result of the ceiling?

MR. MOORE: Mr. Chairman, when we've completed the program and had an opportunity to analyse what was paid out, in what categories, and so on, I expect to have better information in that regard. But we will never know accurately how many people did not qualify because of being above the \$8,000 taxable income levy, in that the program was widely advertised and many of those people — most of them in fact — knew what the qualifications were and simply didn't apply.

But on the development of the program, I can say we were trying to compute how many farmers in Alberta had beef and dairy cattle over 10 head. Indeed our figures at that time — using Statistics Canada's figures and our own, and doing some calculations — were that about 30,000 farmers could have applied to that program, provided their taxable income was under \$8,000. We wound up with, I believe, 25,800 applications. So we got roughly 4,000 who did not qualify, if our original figure of 30,000 was accurate. I think it was very close. So that's the answer, about 4,000 to 5,000.

On the other hand, we had a good number between the \$4,500 and the \$8,000 income level who would have had to take some reduction in the amount of grant they might have been eligible for if they had had the maximum number of cows, which was 100. I will have that figure eventually, but I certainly won't have it before another two or three weeks at the earliest. I would expect to have it before the Legislature adjourns, perhaps by the end of April.

I will have that figure because it's indicated on the application form. I would be able to provide hon. members with categories, and perhaps by the regions of the Department of Agriculture — regions 1 through 7. Actually there are six in number because region 3 is missing. So members would know what area of the province the loans went out to and to what extent, without individual names.

MR. NOTLEY: Mr. Chairman, has the government had an opportunity to assess the new federal program as it applies to Alberta? If prices do rise, that would obviously be the best solution. But because of the variables which have been debated today, one really doesn't have any assurance that that will occur.

I notice some of the provinces have not been too happy with the new federal program. Mr. Janssen, the Deputy Minister of Agriculture in Manitoba, made known some pretty strong views about the inadequacy of the program from Manitoba's standpoint. Of course Manitoba had a cow-calf program that went substantially beyond the stop-loss concept of the Alberta and Saskatchewan plans.

When I total the amount of money Saskatchewan put out and the amount of money we have paid out, some \$43 million, and apply that across the country, there is no way the current federal program will reach the level of assistance even of the stop-loss efforts by Saskatchewan and Alberta. So my question to the minister is: I gather Alberta seems to be satisfied with the federal program, but I welcome an opportunity to discuss it at this time.

MR. MOORE: Mr. Chairman, the hon. member is not quite correct in saying we are satisfied. We expressed pleasure that the federal government had made the basic decision that there was more than one sector in the beef industry — more than fat cattle — and that the fat cattle support program under the Agricultural Stabilization Act of 1975 did not in fact provide any assistance to our cow-calf producers. We were happy with that basic decision. But aside from that, as indicated in the last two pages of recommendations on stabilization that we made to the senate committee on agriculture, we believe there have to be some changes in the Agricultural Stabilization Act as it applies to all commodities involved, to provide the benefits that should be there.

One of those major changes is to move from what is now 90 per cent of the previous five-year average in calculating what a farmer should receive, to a cost-of-production formula that's related to what's occurring today. In inflationary times, 90 per cent of the previous five-year average may not really give you much support at all. While we are happy with the decision to recognize the cow-calf producer under the Agricultural Stabilization Act, we still want to see some major changes within the act. That includes quarterly payments as well, in particular with regard to pork and fat cattle. An individual may market most of his fat cattle in one quarter and get no payment at all, and then there are higher payments for other quarters.

In addition, we said that in order that that program be meaningful to producers — the federal Agricultural Stabilization Act — we must know ahead of time the ground rules on which the payments are made. In other words, the formula should be public at the

beginning of the year so a farmer can sit down and calculate that if in fact average prices are 35 cents, the formula will bring 40 cents on a cost-of-production basis. He knows what he's going to get ahead of time rather than after the fact.

Insofar as the announcement — and I don't even recall the figures, but I think they said the federal program would cost \$70 million, or something. Having some knowledge of trying to develop one of these programs, I know that figure was virtually pulled out of a hat. It's based on the difference between whatever they're going to pay and the market price as it applies to calves in 1977. Eighty per cent plus of calves are sold in September, October, and November. In order to come up with an accurate figure, even one close to accurate, you would have to know what that price is going to be seven or eight months from when they announce the program.

I happen to know that Ottawa like many of us, including a lot in the livestock industry, is expecting and hoping that prices will recover during the latter part of 1977, and that would reduce their payment. I've been told by the federal Minister of Agriculture that in his view the formula they have and what they plan to do would bring basically the same results as our provincial program in Alberta. So if prices remain exactly the same, \$40 million would be paid out in this province. I've been told that. Now it may be less than that; I don't know what they're going to do.

Quite frankly I'm not happy with the fact they haven't made the changes we requested in ASA, 1975, or that they haven't announced the formula on which they will base payments. We will be urging them to continue to do that.

The unhappiness by Manitoba applies as well to British Columbia, Ontario, and Quebec. Their unhappiness stems largely from the fact that the federal program, as announced, will only provide 50 per cent of the calculated payments to a province that has its own stabilization program in effect. As a matter of fact, that's why this province — and, I'm told by the minister, Saskatchewan as well — did not go into a long-term program but into a one-year one.

Quite frankly, we as provincial ministers of agriculture were advised more than a year ago that if and when a federal program came into being, it would not in total be on top of a long-term provincial program. I don't want to pass any judgment on what other provinces are doing, but assuredly I think it's safe to say we did the proper thing by having a one-year program so that we could receive the full benefits of the federal program in 1977.

MR. WOLSTENHOLME: Mr. Chairman, I hope I'm on the right vote. My question is about the dairy industry. When they went to the metric system they went to smaller containers, which seems to me to make the cost of milk considerably higher. I was wondering if the minister had had any input to their going to the smaller containers?

MR. MOORE: I'm sorry, Mr. Chairman.

MR. CHAIRMAN: Would you repeat the question please?

MR. WOLSTENHOLME: When the dairy industry went to the metric system, they went to smaller containers.

This seems to me a rather expensive way of distributing milk. Mr. Minister, I was wondering if your department had any input or influence on trying to change that?

MR. MOORE: That's an excellent question, Mr. Chairman. [interjections] I'd like to give my speech about the dairy industry.

From time to time I've said to them that they haven't done anything new or exciting or different about marketing in 25 years, and in some respects they seem to be holding to that traditional pattern. Coca-Cola made a 1.5 litre container that's bigger than the other one, so you have to buy more than you want to. The dairy industry went from a quart to a litre and from two quarts to two litres. Quite frankly I don't see any way there isn't going to be some reduction in fluid milk consumption because of that basic decision.

However, I want to go from there and say it wasn't made in this province. It was made on a Canada-wide basis, and was partly a result of the major portion of the dairy industry in Canada, which is centred in Ontario and Quebec, having made a decision to go to cardboard litre containers. All the supplies of cartons available to the dairy industry in Alberta are obtained from eastern Canada. From my discussions with our dairy industry, it was not possible for them to obtain carton sizes that were equal to the old quart or perhaps a little in excess of it. That is the reason they're still providing plastic containers equivalent to the quart, or something of that nature.

So it wasn't a decision taken in this province. Had we had the opportunity to get container sizes equal to or above the old quart container, I would not have authorized or recommended to cabinet the approval of regulations that provide for carton sizes under The Dairy Board Act.

Indeed it was my view that the dairy industry would have done themselves and the consumers of this province a great favor had they gone to something in excess of 1 litre — perhaps 1.25 litres, which would have been a little more than a quart. It would have cut down on packaging costs and at the same time ensured that our fluid milk producers would sell at least as much and perhaps more milk than they did in 1976.

MR. CLARK: Mr. Chairman, I wonder if the minister would outline what his plans now are as far as dealing with the sheep plant in Innisfail is concerned? I heard him down in Innisfail, but perhaps it would be better to have it on record here.

MR. MOORE: Mr. Chairman, I made a statement in the Legislature some three weeks ago, and the hon. Leader of the Opposition heard me in Innisfail for an hour and fifteen minutes. Maybe in less time than that I could explain it.

MR. CLARK: I'll be the judge of that.

MR. MOORE: As hon. members know, the plant in Innisfail was losing a substantial amount of money on the operating side each month. It was my view that we could not continue to pay those operating losses without some extensive changes in the operation. We put forward to the Lamb Processors Co-op —

board of directors, delegates, and members — a proposal that would see the government of Alberta assuming all the assets and liabilities of the Lamb Processors Co-op. On Tuesday last they accepted that proposal by way of a vote.

It will now be our objective as soon as possible, I expect within the next two weeks, to pay the outstanding accounts owing by the Lamb Processors Co-op, mainly to producers for lamb so those producers are paid; to pay their other outstanding accounts; as soon as we possibly can, to take care of the legal details required for the government to take possession of the plant from the co-op; to enter into negotiations with a number of existing independent processors who have shown an interest in operating the plant; and to determine as quickly as we can which one of those processors could adequately meet the requirements of the government of Alberta. [The requirements] are, first of all, that the plant would be operated by them on a long-term lease basis; secondly, that the ability of the plant to slaughter Alberta lamb, western Canadian lamb, be maintained and that over the life of the lease we have the ability to slaughter all the lamb that comes into the plant; thirdly, if we can, to negotiate a situation whereby the new operator would operate the plant alone and the Lamb Processors Co-op would continue as an entity which would bring lamb to the plant door and possibly be responsible for the sale of the finished product as it comes out of the slaughter plant as well.

I hope that within eight weeks I would have some initial proposals from those interested in the operation of the plant itself. Beyond that I'm not sure how long it might take to negotiate some agreement with whoever is successful, but it is our aim and projection to have someone else in that plant aside from the government operating it on a long-term lease basis by about September 1 if not sooner.

MR. CLARK: Mr. Chairman, just following up on the minister's comments. In the course of the presentation you made at Innisfail, Mr. Minister, you indicated that from the standpoint of provision of capital for the construction of any additional facilities, you didn't anticipate the government would be involved. At least that's the impression I, and I think many others at the meeting, got. But later on in the course of the discussion you did indicate that you felt there would be some need for the government to become involved in some subsidization of the operational costs of at least the sheep side of the operation. Now the minister shakes his head. I'd be very pleased if he would clear the air on that one, because some of the people at the meeting had that impression.

Mr. Minister, I'd also like to ask if it's the government's intention to enter into a lease arrangement. How serious are discussions with some sections of the independent processing industry with regard to the question of slaughter facilities for hogs? I know one individual at the meeting raised that question. But it's my understanding that the Hog Producers' Marketing Board hasn't given the possibility of tying something in at Innisfail a great deal of consideration. It's my understanding they are looking at something possibly in Red Deer. Mr. Minister, from your position, what are the prospects of being able to tie in something with the hog industry, perhaps the Hog

Marketing Board? And in your judgment is it desirable to attempt to move in that direction?

MR. MOORE: Mr. Chairman, I have great difficulty in answering that question. In the initial stages of negotiation we're involved with four different companies. If I were to indicate who they were, what their intentions were, or what area of additional processing might be involved in the plant, it would certainly jeopardize those negotiations. All I can say is that we will look at any reasonable proposal. We will also take into consideration the fact that it's likely there will not be any hog processing facilities south of Red Deer in the near future, if that isn't the case already.

MR. CLARK: Mr. Chairman, going back to the minister. Will you then clarify the statement with regard to the government's anticipated capital involvement in additional facilities on the site? Also, does the government see itself becoming involved in some subsidization of the operational portion of the new plant at Innisfail?

MR. MOORE: Once again, that's difficult to answer without the negotiations being completed. Because of the nature of the companies we're having discussions with, I don't see us being involved in any provision of capital for the installation or building of facilities that might do something else in addition to sheep processing. If I made a comment about continued assistance, it may have been with respect to the ongoing operations of the co-operative, which may in fact be involved in bringing lamb to the plant and moving it out the other end. Bear in mind that while they will be an entity, they will be an entity without any funds whatsoever. It may require some help to allow them to perform that part of their previous function.

MR. CHAIRMAN: Our time has run out. Mr. Government House Leader.

MR. HYNDMAN: Mr. Chairman, 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 the Whole Assembly 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, as to business over the next 72 hours: this evening in Subcommittee A, continuation of Social Services and Community Health; in Subcommittee B, Recreation, Parks and Wildlife will continue. Tomorrow the interim supply bill will be introduced; tomorrow evening, Tuesday, March 29, [we will] either continue with those two departments in A and B as I've mentioned, or if those are completed, in Subcommittee A start Energy and Natural Resources and in Subcommittee B start the Department of Transportation.

That is a change from what I indicated previously. Previously it was Housing, but the hon. Minister of Housing and Public Works has lost his voice, which I think even the minister would concede is a unique event in Alberta's parliamentary history.

In any event, Transportation on Tuesday night in Subcommittee B; on Wednesday we would proceed with second reading and committee study of interim supply and, with leave, third reading; and in the House continue with the Department of Agriculture, followed by Advanced Education and Manpower, if we move that far.

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

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

HON. MEMBERS: Agreed.

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

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

