

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, April 5, 1978 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

**Bill 245**  
**An Act to Amend**  
**The Municipal Government Act**

DR. WEBBER: Mr. Speaker, I request leave to introduce Bill No. 245, An Act to Amend The Municipal Government Act. The purpose of the bill is to permit municipalities to expropriate land for residential development purposes. The combination of this bill and Bill 242, introduced last week, would allow a municipality the option of expropriating or taxing designated lands if it feels the lands are needed for residential development.

[Leave granted; Bill 245 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I'd like to table the 1977 report of the Environment Council of Alberta.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. PURDY: Mr. Speaker, it is my pleasure this afternoon to introduce to you and to the members of this Assembly some 11 grade 9 students from the Seba Beach school in the Stony Plain constituency. They are accompanied by their teachers Mrs. Soroka, Mrs. Pierce, and one parent Mrs. Sutherland. They are in the members gallery, and I would ask them to rise and receive the welcome of this Assembly.

DR. McCRIMMON: Mr. Speaker, it is my privilege this afternoon to introduce to you, and through you to the members of the Assembly, 64 grade 6 students from Rimbey in my constituency. They are accompanied by their teachers Mr. Stemo and Mr. Leginsky; parents Mrs. Mannix, Mrs. Foster, Mrs. Fenwick, Mrs. Hopper, and Mrs. Teulon; and bus drivers Mr. Kemmis and Mr. Chuck Simpson. They are in the public gallery. I would ask that they rise and receive the welcome of the House.

MR. GOGO: Mr. Speaker, on behalf of the hon. Member for St. Albert, who is away on government business, I would like to introduce to you, sir, and to members of the Assembly, 20 grade 8 students from the V.J. Maloney school in St. Albert. They are accompanied by their teacher Mrs. Lapointe. They

are seated in the members gallery, and I would ask that they rise and be welcomed by the Legislature.

MR. DIACHUK: Mr. Speaker, I want to take this opportunity to introduce to you and to the members of the Assembly a class of 29 grade 5 students from the constituency of Edmonton Beverly. They are accompanied by their teacher Mrs. Yewchuk and their bus driver Mr. Mohammed Karmali. They are seated in the members gallery. I would ask that they rise and receive the welcome of this Assembly.

MR. BATIUK: Mr. Speaker, when I came to the House this afternoon, I saw a memo on my desk that there are eight students from the Ryley School. It doesn't say from what grade they are or anything. Normally the teacher or the school lets me know to make arrangements for them. They are seated in the public gallery, and I would ask those eight students to rise and be recognized.

head: **MINISTERIAL STATEMENTS**

**Department of Agriculture**

MR. MOORE: Mr. Speaker, on October 24, 1977, I announced a major commitment to agricultural research through the provision of \$10 million over a five-year period from the Alberta heritage savings trust fund, to farming for the future. I indicated that the funds would be administered by a new agricultural research committee with representatives of the various segments of our agriculture community, including active producers from across Alberta. I have consulted a large number of persons, organizations, and producer groups, who very kindly nominated over 150 active producers to work with me in ensuring that we develop co-ordinated research in close co-operation with the industry it serves. I can assure you, Mr. Speaker, that selection from the very strong nominations was no easy task. In all cases, the kind of person put forward was a knowledgeable and active producer, a leader in the community.

Mr. Speaker, it gives me pleasure today to announce the formation of the Agricultural Research Council of Alberta as the administrator of the farming for the future program. Among the members will be Mr. Bud Miller, Member of the Legislative Assembly. The producer members of the council will include Mr. Lud Prudek of Bow Island, Mr. Mel Richards of Olds, Mr. Clare Anderson of Barrhead, Mr. Walter Van de Walle of Legal, Mr. Gerry Hachey of Falher, and Mr. John Vos of Keg River. I am certain that many of these people are known to you. Each is the kind of person who has made a strong personal commitment to the improved technology and agricultural development necessary to keep our agricultural industry in the forefront. Their input will be most important to the direction of agricultural research for Alberta.

The committee will be chaired by me, and I have asked the Deputy Minister of Agriculture, Dr. Jim O'Donoghue, to act as vice-chairman. Other members will include Dr. John Bowland, Dean of the Faculty of Agriculture and Forestry, University of Alberta; Dr. Brian Hitchon, acting manager, director, Research Council of Alberta; and Dr. Bob Elliott, research scientist with Canada Agriculture at Beaver-

lodge. Dr. Art Olson, director of our plant industry division in the Department of Agriculture, will also be a committee member and will act as secretary to the council.

Mr. Speaker, the first meeting of the council is scheduled for mid-April, and I hope at that time the council will confirm its terms of reference and overview agricultural research and impacts on Alberta to ensure that we augment, and not duplicate, existing programs. I do not anticipate any significant funding commitments to be made at this first meeting; however, I expect that later this spring we will be able to activate the kind of research we need in Alberta to ensure that we benefit from continued improvements in agricultural technology, and maintain our position as leaders in agricultural productivity.

#### head: ORAL QUESTION PERIOD

##### Oil Sands Development

DR. BUCK: Mr. Speaker . . .

AN HON. MEMBER: Go after them, Walt.

DR. BUCK: Mr. Speaker, with four of us at least you have a 25 per cent better chance of getting to head a party than some of the backbenchers do. [interjections]

My question is to the hon. Minister of Energy, the hon. Mr. Getty. The minister announced that he had not had any discussions with Japanese interests, but in the last days PetroCan has announced a signed letter of intent with Japan Oil Sands Co. in which the Japanese firm made a commitment to invest about \$75 million in the development of 1.24 million [acres] of oil sands leases in Alberta. In light of the fact that on St. Patrick's Day the minister didn't seem to have any information about this project, has he now had such discussions?

MR. GETTY: Mr. Speaker, I haven't spoken directly with either participant. I've received a wire from the president and chief executive officer of Petro-Canada advising that they were about to enter into the agreement with Josco, the Japan Oil Sands Co. I should caution the hon. member that although they may enter into an agreement, they will still require Alberta approval.

DR. BUCK: A supplementary question. Can the hon. minister indicate to the Legislature what type of process we are looking at? Is the company looking at an *in situ* or an open-pit mining process?

MR. GETTY: This is an *in situ* recovery process, Mr. Speaker.

DR. BUCK: Mr. Speaker, can the hon. minister indicate to the Legislature if it's the same type of process that is now being studied, or a different process?

MR. GETTY: Mr. Speaker, I couldn't make the differentiation for the hon. member from a variety of *in situ* processes that are presently considered by AOSTRA, Shell, and Imperial at Cold Lake. But I could get him the details.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. minister. In the discussions the minister or the government has had with different companies using different processes, are there different royalty rates to be looked at if one process is more economical than another?

MR. GETTY: Mr. Speaker, before entering into a full-scale operation, which would be the type of operation that would have a royalty worked out with the company, we would review as many of the factors as possible, then come to what we hope would be a reasonable royalty situation, trying always to meet the principles I've expressed before in the House that there's sufficient incentive for the company to go ahead with the development, yet return to the people of Alberta who are selling a resource that's gone forever.

DR. BUCK: Mr. Speaker, a final supplementary to the hon. minister. Of the grants that have been given for studying new processes, has PetroCan received any of this support?

MR. GETTY: Mr. Speaker, I'm not fully familiar with the most recent set of applications which AOSTRA, the Alberta Oil Sands Technology and Research Authority, is considering. As to whether or not PetroCan is involved in an application, inasmuch as they did purchase Atlantic Richfield of Canada and acquired a considerable number of leases, they may have an application. I'll check that and advise the hon. member as well.

##### RITE Telephone System

DR. BUCK: Mr. Speaker, my second question is to the hon. Minister of Government Services. It has to do, once again, with monitoring citizens' calls to the numbers of the MLAs and the Leader of the Opposition. Has the minister considered changing his policy of having the operator ask who is calling when they call MLAs' offices, especially the office of the Leader of the Opposition?

MR. SCHMID: Mr. Speaker, considering the concern one could have regarding questions which actually reflect only if the person calling is a private citizen, a professional, or a business — but considering the circumstances, I think it would be best if we instruct our RITE operators that once an MLA is to be contacted, we discontinue asking even who is calling for a specific purpose.

DR. BUCK: Mr. Speaker, just to refresh the hon. minister's memory, he promised that last year. That has not been done.

AN HON. MEMBER: Oh, no.

DR. BUCK: That's a fact. [interjections]

Mr. Speaker, can the hon. minister indicate what surveys are being carried out when these questions are being asked, and how often a survey goes on?

MR. SCHMID: Mr. Speaker, this is not a question of a survey. It is only that the RITE telephone system is only to be used by the private citizens of Alberta and

not, for instance, by lawyers, doctors, or businesses to contact government. That is why the question is asked: who is calling, please? Because there's a difference between saying it's XYZ Company, or Mr. John Doe contacting the MLA.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. Is the minister saying that there is not a weekly period, say once or month or so, where an actual survey is being taken to monitor which calls are going to which government departments?

MR. SCHMID: Mr. Speaker, if that type of survey were taken, I would not be aware of it.

DR. BUCK: Mr. Speaker, to the hon. minister. If the minister finds out that type of survey is being taken, will he table that information in the Legislature?

MR. SPEAKER: The hon. member is clearly asking a very hypothetical question.

#### **Amateur Hockey Dispute**

MR. DONNELLY: Mr. Speaker, my question is for the Minister of Recreation, Parks and Wildlife. Last night the Calgary Canucks won the Alberta Junior Hockey championship. [applause] Call it another Calgary winner, I guess.

DR. BUCK: We didn't want to make you feel bad.

MR. DONNELLY: But because of a ruling by the Alberta Amateur Hockey Association, they were going to be unable to continue. I would like to know if the minister would use his good office and attempt to settle the current dispute between the Alberta Amateur Hockey Association and the Alberta Junior Hockey League regarding the AHA's refusal to allow the team to participate as a league winner in interprovincial Centennial Cup playoffs.

MR. ADAIR: Mr. Speaker, I have spent some time in the last couple of weeks, and as a matter of fact most of this morning, talking with members of the Canadian Amateur Hockey Association and some of the executive directors of the Alberta Amateur Hockey Association to attempt to see if there was any possible change in their position.

First of all, I should point out it is not the intent of government to interfere in that particular decision process between the various leagues and the body. I also received a telegram from a number of the interested parents. I appreciate the fact that they did have the initiative to forward a telegram raising the concern that their team would not be able to participate further. But I should also point out to them that I regret we would be doing nothing more than contacting the various people and asking if they might review that decision.

In my discussion with the president of the Canadian Amateur Hockey Association, Mr. Speaker, he did indicate that he had met with league officials, also that he was prepared to come out to Alberta as a mediator if the two parties would request that. I talked to members of the Alberta Amateur Hockey Association, who indicated that it was part of a three-year-old problem.

Two years ago some referees were suspended for not wearing helmets. It was lifted. It carried on for a period of time, and this was the year they were to abide by that decision. That decision was made by the Alberta Amateur Hockey Association, Mr. Speaker, and they will have to live with it. We will not be interfering, other than having made contact with them, as I promised the hon. members in the House some two weeks ago that I would do.

MR. DONNELLY: A supplementary, Mr. Speaker. Is it the minister's intention to answer this telegram from the parents, preferably before the Calgary members go home for the weekend?

MR. ADAIR: Mr. Speaker, I will be working on a response to the telegram this afternoon.

MR. NOTLEY: I thought this was an open government.

#### **Ski Facilities — National Parks**

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Business Development and Tourism. Could the minister indicate whether the government has established a policy or sent submissions to the federal government with regard to expanding the ski areas and facilities in the Banff and Jasper national parks?

MR. DOWLING: Mr. Speaker, no we haven't. But that question would more properly be put to the Minister of Federal and Intergovernmental Affairs.

MR. HYNDMAN: Mr. Speaker, perhaps the hon. member could repeat the question.

MR. MANDEVILLE: Mr. Speaker, the question is: has the government established policy or had submissions sent to the federal government with regard to the expansion of the ski areas and facilities in the Jasper and Banff national parks?

MR. HYNDMAN: To my recollection, Mr. Speaker, the only one that has come to recent attention has been the one in Banff. A proposal was made by a federal minister with respect to the expansion of facilities there. I think this government has seen the significant need for an increase in the availability of ski facilities, particularly for those of low- and middle-income areas in the greater Calgary, southern Alberta, and Banff areas. So I think we would look favorably upon an expansion there, provided that appropriate environmental and other considerations are taken into account.

MR. MANDEVILLE: A supplementary question to the hon. Minister of Business Development and Tourism. Has the minister made any assessment of the number of Albertans who have left for B.C. and the United States to go skiing? Is there a lack of facilities in the province?

MR. DOWLING: No, Mr. Speaker, we have not in a direct way. However, we know that the skier is a pretty mobile type of holidayer, and having once skied the areas of Alberta he is bound to try those in British Columbia and sometimes in the United States. Of

course, we also have a great influx of visitors from other provinces — Saskatchewan and Manitoba in particular, and considerable influx from central Canada — and we feel there's rather a balance. However, we're now in a position, as the hon. Minister of Federal and Intergovernmental Affairs has suggested, where we need additional facilities to accommodate not only our own people but those visiting the province.

MR. NOTLEY: Mr. Speaker, my supplementary question to either the hon. Minister of Federal and Intergovernmental Affairs or the hon. Minister of the Environment relates to environmental questions in the parks area. Has that matter been resolved? As I understood it, there was some ambiguity as to which government had jurisdiction dealing with the environmental questions in national parks.

MR. RUSSELL: Mr. Speaker, it's quite true that the federal government has jurisdiction within the park boundaries. However, several years ago all the provinces signed an accord with the federal government dealing with situations involving environmental legislation such as would be involved in instances like a national parks development. We're encouraged by the co-operation we've been able to receive from the federal government, and would like to support that kind of development, providing environmental concerns are met.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. This flows from the problems that occurred in 1972 with the Chateau Lake Louise project, where there was some concern as a result of the project being planned and then public hearings afterward. My question to the hon. minister is: has the government given any consideration to suggesting to federal officials that public hearings should be held before or during the planning process, as opposed to waiting until a project on the drawing boards is formalized and then reacting to it?

MR. HYNDMAN: Depending on the nature of each project, I suppose the timing of one or more public hearings could vary, Mr. Speaker. Perhaps the federal government has learned from the experience of 1972 and would be holding public hearings earlier, at least with regard to the broad concepts. As far as we're concerned, we certainly wouldn't want to see any kind of project dumped onto the public in a surprise or shock-value way — in such a way as might preclude a proper and quality public hearing in conjunction with the project.

#### **School Curriculum**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Education. It's with regard to a new health and family living course that the minister is working on within his department. I wonder if the minister could advise whether this course will be classed as an elective or will be compulsory in the schools of Alberta.

MR. KOZIAK: A decision of that nature, Mr. Speaker, will await the outcome of the decision of this Legisla-

ture on goals, which will take place after the debate on the document I tabled earlier this week.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Outside the mechanism of the Legislature, had the minister considered any other routes of input with regard to such a course?

MR. KOZIAK: I don't believe I was understood in my earlier answer. I indicated that decisions relative to the courses that might follow the adoption of goals would have to await the adoption of those goals.

#### **Political Contributions**

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Premier, and it is pursuant to the changes in the election act passed last year. In view of those changes, has any policy been adopted by the provincial government with respect to political donations by Alberta Crown corporations either in or outside Alberta?

MR. LOUGHEED: Mr. Speaker, perhaps the hon. member could elaborate somewhat on that question. First of all, I'm at a loss to understand why it's directed to me. Secondly, I'm not sure I understand the import of the question.

MR. NOTLEY: Mr. Speaker, the supplementary question then to the hon. Premier: has the government of Alberta a general policy with respect to the propriety of Crown corporations owned by the people of Alberta making financial contributions to political parties?

DR. BUCK: There's a little PWA offer.

MR. LOUGHEED: Mr. Speaker, I'd have to check into that matter. It's certainly a new subject for me and not something I've dealt with. If the hon. member is referring to the question of union checkoff by the employees . . .

DR. BUCK: PWA.

MR. LOUGHEED: . . . or whether he's referring generally to the operations, I think we've already responded very effectively to the matter raised by way of heckle from the Member for Clover Bar.

MR. NOTLEY: A supplementary question to the hon. Minister of Transportation. I say, with a certain amount of disappointment, that unfortunately the matter of checkoff has not benefited the NDP from the coffers of the particular union in question, although I have hopes.

But, Mr. Speaker, my question is: can the minister advise the Assembly whether he is aware of any political donations made by Pacific Western Airlines during the months of November and December 1975?

DR. HORNER: Well, Mr. Speaker, if the hon. member is referring to the public announcement of the donation that was in fact inadvertently made by some middle management people in Pacific Western Airlines and which has subsequently been returned to the air line, the policy of the air line is: no free passes, no free rides, and no political contributions.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister: I believe the question he is referring to is not the subject I'm raising today. My question is whether the Minister of Transportation is aware that on November 28, 1975, Pacific Western Airlines flew more than three tons of election material free of charge for Social Credit candidates, including three who are now cabinet ministers in the government of British Columbia, while charging their political opponents.

DR. HORNER: Certainly, Mr. Speaker, I wouldn't be aware of it. That would be a management decision and would be on the day-to-day operations of the airline. I'll check into it for the hon. member, if he feels his colleagues in British Columbia were hard done by.

MR. NOTLEY: Mr. Speaker, a supplementary question: is it the view of the government of Alberta that providing free services for political parties in other provinces is in fact a management decision, or does it reflect the policy of the government of Alberta with respect to the operations of our Crown corporations?

DR. HORNER: Well, Mr. Speaker, it certainly doesn't reflect the policy from the ministerial level and, as I've said, I'll check into it from a managerial level.

MR. NOTLEY: A final supplementary question to the hon. Minister of Transportation. Has the minister had an opportunity during the last three years to discuss this matter of political contributions with Mr. D.J. Jacox, vice-president of PWA, who I understand authorized certain of the invoices?

Mr. Speaker, pursuant to your ruling of Wednesday last week, I'd like to file with the Assembly copies of invoices which document the questions I've raised.

AN HON. MEMBER: Are they signed?

MR. NOTLEY: Mr. Speaker, then could I put the question I raised to the hon. minister: has the minister had an opportunity to discuss this matter with Mr. Jacox of PWA?

DR. HORNER: Mr. Speaker, as I've said in this House before, my discussions with Pacific Western Airlines are handled as discussions with the chairman of the board and the board of directors, not with management people.

#### **Constitutional Reform**

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Premier. Has the government given any consideration to the suggestion of replacing the Senate with a house of provinces?

MR. LOUGHEED: Perhaps the hon. Member for Drumheller could elaborate on that. I thought I had answered quite a similar question last Thursday in the House with regard to our view relative to a house of provinces. But perhaps the hon. member, Mr. Speaker, could enlighten me as to the main thrust of his question.

MR. TAYLOR: Yes, Mr. Speaker, I'll be glad to do that. What I'm endeavoring to find out is: in the opinion of

the . . . I'd better not put it that way. In considering a house of provinces, would the function of a house of provinces be any different from the present function of the Senate as we know it today?

MR. LOUGHEED: Mr. Speaker, yes, I'd be pleased to elaborate on that answer. There are of course a number of different proposals being made by groups with regard to constitutional change. One of them was the proposal made by three professors at the Canada West conference last week of a house of provinces, which would sit in Ottawa, consisting entirely of provincial appointees. They would review federal legislation that had an impact upon the provinces.

The view of the government of Alberta is that that would not be a very constructive move in terms of having a higher degree of regional impact upon the country in terms of the decision-making process, and that it might tend to take away from the development that has reluctantly been accepted by the present administration in Ottawa of federal/provincial conferences which are to some degree, not totally, improving in their effectiveness over the course of the years.

#### **Day Care Program**

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Can the minister indicate the amount of support the government will be giving to day care centre operators? The minister made a statement yesterday that she wasn't sure of the amount. Can the minister clarify that, please?

MISS HUNLEY: Yes, Mr. Speaker, it's not firmly established. I did get some information which I'm glad to pass on to the hon. member, although I will need to come back with some additional information at a later date. As I said yesterday, the maximum level to which a family may be satisfied will be determined by where they fit on the schedule re two factors: family size and income. For example, a family of one parent and one child with a net income below \$512 a month would qualify for \$160 subsidy, assuming a full fee rate of \$180 a month. That is to say, if that's the rate set by the day care centre, the contribution would be \$160 per month.

We are doing a considerable amount of negotiation with the municipalities, as I've said before and as I think was included in my ministerial statement. We've been asking the municipalities to set their fee rate, and that will be subject to negotiation. So those negotiations are ongoing. That should give you a good indication of how we see it. But of course it will vary according to the number of children and the net income of the family.

DR. BUCK: A supplementary question, Mr. Speaker. Can the minister indicate whether it's the government's policy to regulate the proportion of children from subsidized families in each day care centre in order to achieve a better balance of children from diverse socio-economic backgrounds?

MISS HUNLEY: No, the wrong interpretation has been placed on the hon. member's question. The first part

of his assumption is correct. We do have in our design a plan whereby only a portion of the children in a day care centre would be subsidized. We would expect the remainder to pay the full fee.

In particular, our reasoning for that was an attempt to have those parents involved who are paying the full fee set by the day care centre. We felt they would then have a good influence on the day care centre in keeping competition in the market place. That was our attempt.

We had two provinces to go by when we were studying our own plans. In one province they were severely restricting the development of private day care centres, because they had given them a flat fee. No way could they raise their rates, no matter how much costs went up. So in Manitoba they feared they were going out of business. In British Columbia they did the other, and just started issuing subsidies to children. The result was that we got the information that many substandard services were being offered, and we felt that was inopportune. So we wanted to use the true implications of the private sector as best we could, in order to maintain quality and have some cost control.

DR. BUCK: A supplementary, Mr. Speaker, to the hon. minister. I understand 80 per cent of children now in government day care centres are from low-income family groups. Does the government plan to establish in each day care centre a quota on children from subsidized families so that . . . Are you going to bus them around or juggle them around? This is basically my question. Because most of them come from the low-income group, are you going to work a quota system?

MISS HUNLEY: I think the hon. member is inquiring about how the PSS system will operate — which is what the publicly operated day care centres are. Many of them are in locations not convenient for workers who wish to use them. It's quite true that the majority of spaces have been taken up by very low earners. Consequently, there was nothing in between for those who really needed subsidy, because they were low earners and still had to go to a private day care centre in order to have service for their children.

In this, we are attempting not to penalize PSS operations and not ever to curtail the development of non-profit groups if they wish to develop, but to make the best use of existing resources. I think this has been a very useful exercise, and I think it will work well. It will give the private operators an opportunity to serve low-income families without penalizing their own operation. It will also make it more convenient for those who need the service.

DR. BUCK: A supplementary to the hon. minister. Can the minister indicate if there is sufficient space in private day care centres which would be eligible to accommodate these low-income family children?

MISS HUNLEY: We don't know that yet, but I have great faith in the private sector, Mr. Speaker — which I don't always see indicated from across the way, but I happen to have it. I feel they will rise to meet the need.

DR. BUCK: Mr. Speaker, if the minister's being so smart, surely when you announce a program . . . [interjections] When you announce a program, Mr. Speaker, surely you know . . .

SOME HON. MEMBERS: Order, order.

DR. BUCK: Mr. Speaker, what's the minister saying, then?

MR. SPEAKER: There appear to be some persistent comments of "order". It would seem to me that when an hon. member or an hon. minister tosses a barb across the floor of the kind we heard from the hon. minister a few moments ago, some latitude should be allowed on the other side.

SOME HON. MEMBERS: Agreed.

DR. BUCK: Mr. Speaker, did the minister have information to indicate there was sufficient space in private day care centres to accommodate these children from low-income families?

MISS HUNLEY: I've been told by members of the private day care operators with whom I met that there would not be any problem in meeting the need. Their big concern was that with the PSS operations their tax dollars were being used to subsidize their opposition, and they felt they could serve adequately the needs of the children in Alberta. I believe we have designed a plan which allows both to function.

#### **Lysol Drinking**

MR. TAYLOR: Thank you, Mr. Speaker. I'm somewhat concerned about hard-core alcoholics drinking Lysol. There's been very definite evidence of it in Manitoba. My question is to the hon. Solicitor General. Has there been any evidence of this in Alberta?

MR. FARRAN: Mr. Speaker, I have no evidence, although I imagine anyone who is foolish enough to drink Lysol would not do it for long.

MR. TAYLOR: Mr. Speaker, they'd probably have the cleanest innards in town.

A supplementary question to the hon. minister. If Lysol is being used for drinking purposes, I am wondering if the minister or his department would do some research into the problem, particularly with the object of ascertaining why. Is it the price, or what is the factor leading them to do this?

MR. FARRAN: I will, Mr. Speaker. The problem at the moment is more with aerosol hairsprays being mixed with soft drinks than it is with Lysol, as far as I know. This is of course in addition to other beverages such as bay rum, vanilla extract, and so on.

#### **Hunter Training**

MR. MANDEVILLE: My question is to the hon. Minister of Recreation, Parks and Wildlife. Could the minister indicate what consideration has been given to the proposal by the Alberta Fish & Game Association that training for first-time hunters and act violators be compulsory?

MR. ADAIR: Mr. Speaker, the reason I hesitated was that I was trying to recall whether the hon. member was in his seat last Friday when I was talking about the request from the Alberta Fish & Game Association. In direct answer to the question: yes, we did consider it. The plan is to begin to put in place mandatory hunter testing for the violators, not for first-time hunters, and to accelerate a publicity campaign for the voluntary taking of that same test by all members of society in the province of Alberta, and move away from the mandatory test. We felt very strongly that to place that mandatory test on everyone was really an infringement of the individual's right. We intend to try to ensure that the opportunity in fact to take the test voluntarily is first handled, then to ensure that the mandatory test applies only to the violator who loses his licence.

### ORDERS OF THE DAY

MR. HYNDMAN: Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into Committee of Supply.

Mr. Speaker, I would just like to mention that, having moved the motion which I moved two days ago, I believe that Committee of Supply could now be called in future as a heading on the Order Paper, rather than my moving a motion after today.

HON. MEMBERS: Agreed.

MR. SPEAKER: It's my understanding that calling the order is all that's required. I therefore do now leave the Chair.

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

[Dr. McCrimmon in the Chair]

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

### **Department of Agriculture**

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. MOORE: Yes, Mr. Chairman, some very brief remarks. I want to say first of all that the budget before you, with respect to the 1978-79 estimates, is one of an increase of just slightly over 3 per cent. However, that budget does contain sufficient funds to carry out the work that needs to be done in the areas of extension, marketing, market development, inspection services, health services, and other services offered by the department to the farming public and to segments of our society.

Mr. Chairman, it's worthy of note that a good number of programs developed by our government and of assistance to farmers and persons in rural areas in fact wind up in other departments. I'd like to mention a few of those. They will no doubt be debated by hon. members as we move through the estimates of these other departments.

First of all, Mr. Chairman, we had an announce-

ment by the hon. Minister of Advanced Education and Manpower of summer temporary employment programs for the summer of 1978. Involved in that, and being administered by the Department of Agriculture, will be the program with respect to ag. society student employment, veterinary experience, and summer farm employment programs. None of those dollars appear in the budget of either Advanced Education and Manpower or Agriculture at this time, but will be provided shortly after the conclusion of the session by way of special warrant. In addition, within the Department of Advanced Education and Manpower considerable funds are being utilized in connection with funds in this budget for the green certificate farm training program.

I probably don't have to mention the funds contained in the heritage savings trust fund, Mr. Chairman, which again are not in this budget, for such matters as agriculture research, which I mentioned earlier today, and irrigation. The funds set aside from the heritage savings trust fund for grazing reserves are administered by the hon. Associate Minister of Energy and Natural Resources.

Mr. Chairman, I'm pleased to discuss those matters in this budget, although the dollars are not here. Members will of course have an opportunity during the fall session to discuss those funds which come from the capital projects division of the heritage savings trust fund.

In addition, the property tax reduction benefits and the increases which have been announced there and which affect farmers directly are contained, of course, in the budget of the Department of Municipal Affairs. The compensation for migratory bird damage, a joint federal/provincial payment, is contained in the budget of the Department of Recreation, Parks and Wildlife, although administered generally by the Alberta Hail and Crop Insurance board, which is under the jurisdiction of the Minister of Agriculture. And of course the major area of the farm fuel allowance, which has been increased from 8 to 12 cents, once again does not appear in the Agriculture budget but is in the budget of the Provincial Treasurer.

Mr. Chairman, those are just a few of the programs we have some responsibility for that provide some assistance and benefits to farmers, particularly with respect to input costs and operating costs that are not contained in this budget, but in some way or other involve some responsibility of my office.

Mr. Chairman, I'd like to go from there to talk briefly about what some of the major initiatives will be in 1978 in the department as far as government is concerned, and say initially that with the exception of perhaps one, they don't involve the expenditure of funds so much as they involve a great deal of time by senior staff in my department, by myself, and by others in the Executive Council. Of course we intend to carry on as aggressively as ever, and more so if we can, our efforts to encourage and improve farm prices by way of improving our marketing systems.

Once again the whole area of transportation and the question of developments at Prince Rupert and so on are items that do not appear in the budget but may in due course appear as initiatives we have taken in a direct financial way to assist farmers. The area which once again doesn't appear in the budget that will have the largest financial implication for us will be the continued development of improved programs

in the Agricultural Development Corporation.

Mr. Chairman, in answer to a question a couple of weeks ago I said I anticipated announcing during this session some improvements in existing Agricultural Development Corporation programs for existing and beginner farmers. I would hope that will occur toward the latter part of this month. I can say at this time, however, at the urging of a number of members of this Assembly and the members of the board of directors of the Ag. Development Corporation, that what we are looking at there is a system of maintenance of regular interest rates, but some deferment or rebate of a portion of interest in the early years of a farm loan. We have found that the most difficult time in farm loans is the first five years. We want to try to develop a program that will alleviate some of the interest burden during that initial period of time.

Perhaps I could move from there, Mr. Chairman, to go briefly down some of the programs within this budget which are generally completely new or fairly substantive increases this year. There is some \$40,000 in this budget for assistance to northern veterinary clinics. We have found that because of the livestock prices of the last few years, it is simply not possible to maintain veterinaries at some of the clinics built by the joint federal/provincial program without some direct subsidization. After considering that matter very carefully, Mr. Chairman, we have placed some \$40,000 in the budget to assist in that regard, hoping of course that the maintenance of veterinary service at that particular point will allow us to get out of the subsidization scheme quickly as the livestock industry turns to better health.

In addition, there is \$122,000 in the budget for an analysis of the five-year weather modification program started in 1973. Sometime during this budget year we will begin a major analysis of the five-year program. Although we've been doing an analysis each year, year by year, there will be more work to do there, much of it carried out of course by the Research Council of Alberta.

There's some \$50,000 in the budget for the operational costs of the new Alberta Forage Seed Council, which members may recall I announced a few weeks ago. I indicated at that time that the council would be involved in providing information and assistance in a variety of forms to forage seed producers in Alberta.

In addition, there is increased funding in the amount of \$117,000 for commodity organizations, farmers' markets, and the provision of special marketing reports such as the Hu Harries study on hog marketing in Alberta which was done last November.

There is an increase of some \$100,000 in a display fund related almost totally to the sale and promotion of Alberta products. Members will no doubt have seen the advertisements on major television stations throughout this province: the Buy Alberta ads, the mustache campaign of the dairy people of this province. All those are assisted by our department. I can say, Mr. Chairman, I don't think there is any area in which the expenditure of funds and the amount we've expended has brought us more results than that Buy Alberta campaign. It's being talked about across the province. The private sector has been encouraged by our initiative in getting into the same kinds of programs. During the past six months, some of the major retailers in the food industry for the first time in their history have run complete Buy Alberta

food products sales on certain days of the week. So that's extremely encouraging.

Some additional funds will be applied for our home study courses. We anticipate a new beef nutrition home study course this coming winter, and have not yet finalized what other home study courses will be carried out during the course of the winter of 1978-79. I again want to say to the hon. members, Mr. Chairman, that the three or four home study courses we had this winter were even more successful than last year. We think that's an excellent concept in terms of getting information we have in this department out to the people, where it's really needed.

Mr. Chairman, perhaps I'd conclude with a couple of comments with regard to the matter of the new positions contained in this budget. On page 40 of the Estimates book, there's an indication that the 1977-78 estimates included 1,452 full-time positions. There's an increase of some 14 positions this year. One position is for a departmental safety officer in the Departmental Support Services area, who will be working with individuals from the Department of Labour, the Safety Council, and others to promote farm safety. This position is already filled. We are encouraged by the results that can be and are being achieved in terms of safety education on the farms.

There will be three new positions for the swine AI centre in Nisku. There will be six new positions for meat inspectors throughout the province. As members know, the Alberta Meat Inspection Act, which came into place some three or four years ago, has now reached the point where we have a great number of abattoirs throughout the province licensed by the provincial act. It was necessary for us to provide the inspection services.

Later this year when our field crops branch and our Hail and Crop Insurance Corporation move to Lacombe from Edmonton and Calgary, respectively, there will be three new positions in the Agriculture Building in Lacombe. The move there will require some additional positions with respect to administrative staff and clerical and support positions.

Mr. Chairman, I'll perhaps conclude by saying there are some areas where no funds have been allocated in the budget this year for certain purposes. I would just mention two. Members will note that the grants for agricultural societies are substantially reduced from the projected '77-78 forecast. The reason is that the '77-78 forecast includes the one percentage point of the pari-mutuel tax which was returned to the Calgary Stampede Board and the Edmonton Exhibition Board. The '78-79 estimates do not include anything for that purpose, which is in excess of about \$1.2 million.

The reason for that is that we are still seeking, and are confident we can bring about, changes either in federal legislation or regulations or our own legislation that will allow those exhibition boards to retain that one percentage point without submitting it to our Provincial Treasurer, then having it paid back again. So we don't expect that to appear as an expenditure this year. However, if we're not successful in that regard, it may once again be necessary to provide those dollars by way of special warrant later in the year.

The only other area where I'd like to say there's some decrease, of course, as a result of different conditions: the budget does not contain any funds for



emergency drought situations that we ran into last year. Of course that's what special warrants are for. If we get into a situation of that nature this year, the funds are not provided for in this budget.

However I could say, Mr. Chairman, because I know members would be interested, that under the very successful water dugout filling program, throughout the course of last year we were able to fill some 660 dugouts and helped almost that many people or farm families in maintaining water supplies for their livestock throughout the past winter. Of course I don't have to mention that in most areas of the province the situation is rather dramatically improved from what it was a year ago, although those who know the nature of drought and water ground level tables and so on are aware that we're certainly not out of the woods in terms of drought yet, and it will take substantially increased and improved rainfall this summer over last summer to make sure that problem is resolved.

With those few remarks, Mr. Chairman, I would be prepared to entertain any questions there might be on specific items.

DR. McCRIMMON: Are there any questions to the minister of a general nature before we get into the specifics vote by vote? This would be the time to bring them forth.

MR. MANDEVILLE: Mr. Chairman, I'd just like to make a few comments on our agricultural vote. I want to say I think it's going to be one of the toughest portfolios in the future, because I don't think our economy is going to be all that good as far as agriculture is concerned. I don't like being a pessimist, but the way the situation looks in some areas, it could be pretty tough. I do agree the minister is on the right track when he's expending more money in the area of marketing. I think this is very important, and it's one of the areas where we can certainly help as far as agriculture is concerned. I think our farmers and producers can go out and produce, but they do have problems getting satisfactory markets.

However, when you're travelling around in the rural areas, at the grass roots there is a lot of concern with the agriculture economy, especially in the area of our cereal grain farmers. With the high input costs, high interest rates, and so on, it's creating some problems. One of the areas that I think has advanced considerably is the cattle industry. However, I see so many small farmers in so many areas shifting from the cattle industry to cereal grains. If we do this, we could just reverse the situation and probably have a shortage of cattle and maybe a surplus of cereal grains.

One of the areas at the present time that's certainly helping as far as our cereal grains are concerned: I think we would be looking at a surplus on our international market if it weren't for our devalued dollar. Mr. Chairman, if you take a look at the devalued dollar in relation to the United States, and the United States to the rest of the monetary in the world, we certainly have an advantage on the international market as far as our grains are concerned. However, this is not going to solve our markets for domestic grains.

I was pleased to hear the minister indicate that he was going to announce some new programs for our

farmers under ADC, and I am also pleased to hear him say we're going to have some recognition on interest rates. I think this is an area where we certainly can help. Interest rates are high and are getting to be a terrific burden for a lot of our small operators. While we're looking at ADC, I would like the minister to take a good look at putting a moratorium on some of the debt load, especially as far as some of our new and young farmers and the Alberta Development Corporation loans are concerned. I think this would be a step in the right direction. I don't think we should be writing off any loans, but a moratorium on the interest or on the debt itself in some cases would certainly be a big asset to some of our young and new farmers.

As for the cattle industry, it's very pleasing to see the increase we have had in recent months as far as cattle prices are concerned. It gives the cattle operators an opportunity to pay off some of the debt they've accumulated over the past four years. We've certainly had a depression in the cattle industry, especially on prices, over the last four years. However, if you take a look at cattle prices today, Mr. Chairman, and relate them back to 1973, I can recall we had 58 cent live beef in 1973 while today we have 53 or 54 cent beef. But if you take the 7 per cent inflation factor from '73 to '78, that's around 20 cents. So we could be looking at probably 75 cent beef, and it would be the same as 58 cent beef in 1953. I hope with the price increasing fairly rapidly we don't get consumer resistance and cause any problems in this area. I certainly don't think our beef prices are out of line. They're not too high, especially in comparison to our other commodities.

I can see a shortage of beef in the North American continent, because it's been a fact that you were not able to keep replacement cattle. You couldn't keep replacement heifers to replace your herds for the simple reason that you could get as much for a heifer calf as you'd have to replace a cow. So over the past three or four years the ranchers and operators have been selling their heifers and their replacements, and our cows have just been moving back and forth. I think we have this situation throughout the North American continent. I can see where we could run into a situation where we could be short of beef. The cattle industry could inflate fast, and we could have some restrictions and certainly affect our economy as far as cattle are concerned.

I think we've got to take a good look at growing more grass cattle, for the demand for hamburger is getting to be big throughout the North American continent. A big percentage of our consumers are eating hamburger. I think instead of having grain-fed beef we can use our grass beef and go into a grass-beef program. Any promotion we can do in this area will be a great advantage. For one week every packer in Canada was using the front quarters from our steer beef for hamburger. I don't think this is really necessary. I think we should be growing grass beef, and possibly what they do at the present time: they're using all our oceanic beef as far as our manufactured beef is concerned.

I was just reading that the federal Minister of Agriculture announced there's not going to be any subsidy on lamb or poultry. However, I can see him coming up, since there's an election in the wind, and I think possibly he'll be announcing a subsidy on our

fat beef for the first quarter of 1977. If they do, I think it'll be a step in the right direction as far as the consumers and the producers are concerned.

Mr. Chairman, one area gives me some concern: the dispute between our hog producers and the packers right at the present time. I certainly hope this is an area we can resolve. The formula we have now is a good one. I think it's a precedent on the North American continent, and I hope we're able to fulfil this and go through and make the program work.

Mr. Chairman, one area, irrigation, does give me some concern. The minister announced today the council that's going to be set up as far as the research fund is concerned. I certainly hope we have some representation from irrigation. I appreciate the fact that we have a member from an irrigation district, Bow Island, on the council. But I hope we'll have enough input as far as irrigation is concerned on this research for agriculture, because I do think it's money spent in the right area. Irrigation is an area where I think we need a lot of research on new crops and different methods of irrigation.

Another area that gives me concern is water rights. In all the irrigation districts in the province the farmer has to pay a water right. They pay a right, \$10 or \$20 an acre, to have a water supply for their land. I see so many cases where individual farmers are getting permits to pump out of the river. With our water agreement with the three prairie provinces, we have to let half our water go down the rivers. If we have to ration our water, which we had to do in some cases last year, I certainly think we'd better be taking a good look at charging a water right to some of the individual farmers who are developing land downstream from irrigation districts and have permits to pump out of the rivers. We should be taking a good look at having a water right before they're issued permits. I appreciate that the PFRA issues permits as far as water out of the rivers is concerned. But putting water rights on permits as well as on water users in irrigation districts is getting to be an area I think we should look at.

Mr. Chairman, I would like to plead with our Minister of Agriculture for development of our river basins — if he will consult the Minister of Federal and Intergovernmental Affairs and the Minister of the Environment and try to put some pressure on the federal government. I think the federal government has an obligation to put more funds into developing water resources. When we are putting dams in our river basins, I'm certain it's not only Alberta that benefits; it's Canada. I've met with officials of the federal government, and they have indicated to me that we haven't had the pressure on as far as the province is concerned to get funds from the federal government to develop our water basins.

We had a situation in my own constituency where the federal government allocated so many dollars to rehabilitate the Bassano Dam, to put in the aqueduct. They've allocated this money. However, instead of putting this money in I would like the Minister of Agriculture to see if he could negotiate with the PFRA, with the federal government, to see if they'll put in some more funds. They have indicated to me that they are prepared to take a look at putting more funds into development of the Bow River basin. If they could put in some more funds along with the \$20 million they're talking about putting in to rehabil-

itate the Bassano Dam, maybe we could put in the Eyremore Dam without the province getting involved to a great extent.

We keep flaunting these figures that it's going to cost \$200 million to put in the Eyremore Dam. Well I don't think this is a realistic figure. I think we could be looking at possibly \$75 million to put in the first phase of the Eyremore Dam. If we spend \$75 million to put in 300,000 acre feet of water, I think that would be much more beneficial to all the people of Canada and the people of Alberta. I think our returns would be much more acceptable and beneficial to the people of Canada and Alberta if we were to put in the Eyremore Dam instead of spending \$20 million rehabilitating the Bassano Dam.

After all, years ago the federal government put \$180 million into developing irrigation and putting a dam in Saskatchewan. If they're going to do this, I certainly think they should be able to take a look at spending some money in Alberta for water development.

Another area I think we'd better have a position on — I have to agree with many of the areas of the Hall report as far as our transportation rates are concerned. However, we've got to take a position as far as the Crowsnest rates are concerned. There is no way anyone in the province of Alberta or the Dominion of Canada wants to give up the Crowsnest rates without getting something in turn. I think we've got to get something in turn, because it's something we've certainly got to keep. The rail lines at the present time have all the mineral rights to provide this service, and I certainly think they are obligated to give us assistance and continue with the Crowsnest rates. But somewhere down the line someone's got to take a position. We've got to do something. I can see the CPR; they're not going to keep up the rail beds to transport grain where they're going to be losing money. There's just no way they're going to do this, even if they do have an obligation. So somewhere down the line we could have some tradeout, an acreage payment or something, to take the place of the Crowsnest rates without giving up anything, because no one in their right mind would want to give up anything as far as the Crowsnest rates are concerned.

I can see where it's going to be a real burden as far as rapeseed production is concerned in this province. I certainly hope the plant at Sexsmith is going to be successful, but it's really unfair competition. They've got to compete with other firms out at the coast, Japan, or wherever, where they can manufacture the oil and already have taken advantage of the Crowsnest rates.

Another area I would like the minister to give some recognition to is the surface rights regulations. At the present time it indicates in the regulations that oil companies or anyone involved in renewing these leases on a five year . . . They say they "may" renew the leases in five years, and that's creating a problem, Mr. Chairman. I think it should be "shall" renew the leases in five years. If that were the case, so many of our small farmers or even our big farmers are not aware they've got to apply if they want to renew their leases in five years. They have to give 90 days notice if they want to renew them. In so many cases I can see where they're not going to make application 90 days before, but if they had "shall" in there instead of

"may", I think it would solve some of the problems.

Mr. Chairman, with those few comments, I want to thank you.

MR. ZANDER: Mr. Chairman, I want to thank the minister for the amount of work he has put in in the past years to make the farming community a better place to live in. But there was some mention a while ago that we should be dealing with some of the areas in the foothills where the gray-wooded soil occurs in the province. This was perhaps a federal experimental station at Breton, or a combination of both, and it has to a large degree fallen on deaf ears, whether it has been discontinued or not. It certainly is not bringing in the best results for the people living in those areas.

We're dealing with an area that stretches perhaps from Rimbey right into the Peace River block. I think the revival of that research or experimental station at Breton certainly would be beneficial to those areas, because we're not dealing with an area that has need of more water. It's an area where we have more than normal rainfall, and we have to deal with what types of forage crops, what types of grains, are best suited for that gray-wooded or degraded black area. I haven't seen any progress in the last four or five years at that station, and I am just wondering whether that station is going to be discontinued. I hope it will be revived to make it more successful than it has been in the past, because I understand that some 15 years ago it was used to a great extent for research of the gray-wooded and degraded black soils in and around that area.

The other part: I think we have dwelt mostly on growing enough beef in this country, and back in 1974 we found that we had too much beef. I believe perhaps at this time we should probably consider a better and more accurate way of forecasting markets as to what the farmer should or should not be raising, whether it be beef, pork, or grains. I think we have to look into the future perhaps about five years. We found that in '74 the cattle market bottomed, and it took four years from that time to come back to at least some degree of profit in the operation. I am wondering if we could not have our market forecasts much more accurate than they have been before.

Of course the other thing is brought into the forefront: in the past number of years the weed control, at least in some areas of the province, has been nil. The municipalities, of course, say they're not responsible for the weeds on the highways, and we can drive along the highways and see quite a number of weeds growing there. The farmer is reluctant to get out and destroy the weeds on his own place when so many are along the roads and highways. Maybe we should look at better weed control in some of the farming areas of our province.

The hon. member who spoke before mentioned some way to control seismic operations in a farming community. I think probably this past winter seismograph crews have been most active. In my area in particular there were 26 at one time. They're still in there now on tracked vehicles trying to get some readings on their seismic operations as to what they are going to bid. I believe somehow or other we're going to have to amend The Surface Rights Act, because most of these people believe the farmer has no right to keep them out. The farmers don't know

who is in at what time. They don't even come to the door and ask whose land it is or try to find out whether or not they can enter. This is causing the agricultural community considerable problems. I think it's time we amend The Surface Rights Act, if it can be done, to try to control seismic activity in the agricultural community.

I would also say, Mr. Chairman, that when we look at the costs in 1974, probably we're looking at a 23 per cent increase of farm input costs since that time. The hon. member has mentioned 20 per cent increased costs, but in most cases the increased costs of fertilizers, machinery, and especially power . . . Farmers now cannot operate a farm reasonably well without electric power, and most of them have it. I would certainly like to see something done so we can hold down the input costs of the farmers so they can at least be viable. As I said in the budget speech, I cannot see why we are subdividing farmland, fragmenting it in such a manner that it is no longer viable for farming operations. In some communities the three-quarter section farmer or the section farmer has probably disappeared, and he is now down to one quarter or a half section. I think the income from agriculture is forcing the farmer to sell to meet his obligations. This is the only reason I can find for selling off their land or subdividing in such a manner to pay off the debts they have incurred since about 1973.

In speaking of the services and transportation in the farming community, the hon. member briefly stated that the CPR has now seen fit to remove their trackage through a farming community, but still holds on to the mineral rights. It has long ago sold its surface rights and is now holding 100 per cent of the mineral rights.

In my constituency you only have to look over about three townships, and in two townships at least you find 50 per cent of the mineral rights in the west Pembina field are owned by the CPR. The CPR discontinued services in that area as long as 50 years ago. Now you cannot have the pie and eat it too. I said this about four years ago — that if there were some ways and means of restricting the abandonment of the CPR trackage by virtue of saying, you can't remove the services without giving up some of the mineral rights. It isn't fair to the community, and it isn't fair to the agreement signed with the federal government many years ago, that they got these land grants 100 per cent and got 100 per cent minerals with them.

Since then they have split the organization. CPR is virtually a conglomerate of companies that is in manufacturing, resources, shipping, air fleets, what have you. Most of the profits are drained off their oil and gas operations, and they no longer give service to the people that it was intended to give.

It seems to me the people of Canada and Alberta should demand that if they took that grant for supplying services to the farming community — that was their immigration policy at that time, to provide farmers for the land — and then yanked the trackage away on them, we should yank the mineral rights away on them too. I don't believe you can put trackage down in good faith, sign an agreement, and then turn around and pull that trackage away on the people. I think it's a fraud, and we should brand it as such, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, I'd like to make a few general observations, first on the agricultural estimates. Perhaps I might begin by just rising and agreeing with the sentiment expressed by the Member for Drayton Valley.

There's no question that when the CP was given certain basic rights — both when the transcontinental railroad was constructed and later when the route was placed through the Crowsnest Pass to open up the coal deposits, and the enormous development that took place at Trail — the commitment was made for rates which would be lasting rates as far as the export or the taking to market of grains produced in the west. The so-called Crowsnest rates were later codified by statute by the House of Commons during the 1920s, if my memory serves me right.

I think it's a little strange and more than somewhat annoying that a company that has been able to grow and become one of the largest industrial concerns in Canada, and has been able to branch out in various fields all the way from mining to the assembly and development of land in our major cities, can say at this stage of the game: well, we have to do away with the Crow rates because we can't earn enough money from those rates to maintain the lines. They now talk about a user-pay philosophy. I'm even more disappointed when I see that our federal minister, Mr. Lang, is apparently adopting that point of view.

As I see it, the problem and the real danger for western Canada is that we will arrange some kind of what appears to be a sensible trade-off. In other words, we'll do away with the Crow rates but in return get some other concession. Mr. Lang was talking about a compensation through some other kind of subsidy. But the problem farmers face, Mr. Chairman and Mr. Minister, is they know perfectly well that these in lieu programs can come and can go. And to lure us into giving up the Crow rates, we could very well see a *quid pro quo* where some additional funds were made available to farmers so that the first, second, or third year it would look very advantageous to give away the Crow rates.

The problem is that governments change, policies change, priorities change. The last time I looked at the House of Commons, the rural areas of the three prairie provinces did not have anything like a significant minority of the members. That being the case, I think we indeed have to be very careful about this whole question of the Crow rates.

Mr. Blakeney put it rather well at the Premiers' conference. The minister was there when he said that before the Crow rates were removed, he would want to see the last tariff in central Canada removed. I think that might be the sort of thing we could look at. When they remove the last tariff, maybe we'll look at revising the Crow rates. But as long as we have a system of tariffs set up, I would not want to see us bargain away the Crow rates and accept a temporary or even a program of subsidies over several years and bring in by the back door a user-pay system, which may be subsidized for a little while and then removed when the public is looking elsewhere. I think we have to be very, very careful about that particular issue.

We should remember, Mr. Chairman, that the struggle to codify the Crow rates was not a partisan goal of one party or another in the west. An effort by farm people generally and by westerners, regardless

of their political point of view, achieved that breakthrough during the 1920s. Our federal minister is now backed by what seems to be a more buoyant Gallup Poll and the prospects of remaining in a position of influence, and I regret the position he is taking on the Crow rates. I would hope that westerners, including Liberal supporters, would oppose any monkeying around with the Crow rates.

Mr. Chairman, I want to move from there to mention just briefly the announcement the minister made today about the committee or council that will be reviewing the \$10 million research funded through the heritage trust fund. I don't know all the members on the committee. I do know two: Mr. Richards from Olds, and Mr. Clare Anderson from Barrhead. Mr. Anderson is the former vice-president of what at that time was called the Farmers' Union of Alberta, has been a very active person in the farm community, and in my view is an excellent choice. The same would be true of Mr. Richards.

Mr. Chairman, moving on from those comments, I'd like to take just a moment or two to evaluate this question of the pursuit of markets. I don't think anyone in this House is opposed to Alberta and Canada seeking greater markets for agricultural products. The fact of the matter is that in 1972 when this matter was first raised with a great deal of gusto by the now Minister of Transportation, all members of the House supported increased thrusts in efforts to obtain markets around the world.

When the Alberta Export Agency was established, its establishment was greeted with support on both sides of the House. In 1976, when certain problems were encountered by the Export Agency, fair enough, questions were raised as there should have been, and in my view those were valid questions to raise. I am disappointed, and I say what I said in the summer of 1976 when the government decided to disband the agency. I thought they were really taking the least effective way of handling a difficult problem. Obviously some serious mistakes had been made by the Export Agency. What they did was disband the agency and do away with what was in my view a good idea, an idea that had a tremendous amount of merit. I believe some obvious changes had to be made in the personnel of the agency and the whole export thrust. But I think the idea of an integrated export agency was a good one. I said that in 1976 when the minister announced the Export Agency would be disbanded, and I say it again today.

When we look at additional markets — and this may not be anything like a majority opinion in the House — I believe we have to emphasize the multi-lateral approach to obtaining markets. I know in the last few months we've had a fair amount of emphasis placed on bilateral talks between the United States and Canada to open up additional markets in the U.S. for rapeseed products and, more particularly, for beef products. I know the position of the Western Stock Growers' Association and the Canadian Cattlemen's Association, who essentially have been arguing for some time that we should have . . . They don't use these words, but I think the thrust of their argument is a form of common market between Canada and the United States. We could ship our beef into the northwestern United States and reduce transportation costs, and in their view there would be more competition in the American market place.

While I respect that point of view, Mr. Chairman, I would say the long-term advantages for Alberta agriculture will be gained from multilateral trade arrangements around the world. The action is at the GATT talks. I just cannot underline the importance, as I see it, of our GATT negotiations. We can talk about a deal — gas versus agricultural products — but in the final analysis it will be the decision the nations of the world take in total on how much we are able to push forward our ability to market elsewhere in the world.

I think there are certain dangers of tying in our market place with the northwestern United States, as the stockgrowers are suggesting, at the expense of emphasizing multilateral talks. I say that because from time to time the United States will make decisions that benefit consumers. They're always having elections there, Mr. Chairman. Every two years there are elections in the United States, and the pressure of consumers in that country, as I see it, is even greater than the pressure here in Canada. That will mean the borders will be thrown open to Australian beef. It's interesting — and various members have talked about it in the House — I think the figure for Australian beef in the United States is somewhere around 600 million pounds a year and for Canadian beef somewhere around 50 million. In other words, it's a 10:1 ratio or thereabouts. That's going to happen, Mr. Chairman, because American administrations, conscious of the consumer, will deliberately open the borders to keep the price down. That'll happen on a regular basis because there are elections on a regular basis. I think no small part of the protest which is sweeping the rural U.S. stems from that feeling that their government is using import laws to disrupt the local market place.

So that's why I think the emphasis in the Speech from the Throne is probably a wiser one. I noted a distinct difference between the rhetoric of last fall and the Speech from the Throne. In the Speech from the Throne we are putting the focus where it has to be placed, on multilateral trade negotiations.

We've flirted with the idea of reciprocity in this country since the time Laurier came up with the first proposal in 1911. I don't want to dwell on ancient history, but I think it's rather interesting to note that in 1911 the Conservative Party inflamed the entire country with "no truck nor trade with the Yankees". They were far more severe than any of us who express concern today. No truck nor trade with the Yankees. And Sir Robert Borden became the Prime Minister of Canada, and we never pursued Laurier's dream of reciprocity. Traditionally the Tory Party has been very sceptical about tying in our economy on a continental basis.

There may be additional room to manoeuvre in the American market. No question about that, Mr. Chairman. But if it is to be safe, acceptable, and long term, that room to manoeuvre will have to come as a result of worldwide, multilateral trade agreements. I would not want to see us gain short-term entry and then find in two or three years we had barriers placed against our products going into the American market; have people gearing up for production and then find the borders are closed because of local protests. In my view, Mr. Chairman, the only way we can avoid that kind of situation is if we have the agreements at GATT, so we're talking about binding arrangements

on all the signatory powers.

Mr. Chairman, moving to the question of farm machinery in Alberta. There are really two issues here. Uniform, at the recent convention of that organization, recommended there be an inquiry into farm machinery costs in the province, and we have the current situation with CCIL. I'd like the minister to perhaps bring us up to date in his response on where things stand on the present CCIL negotiations. A few days ago in the House the minister indicated the Alberta government was prepared to make a loan guarantee, to make I believe up to \$2 million available to CCIL. That was an offer; it's something that obviously had to be considered by the company. I'd like to know where things stand now with the other provinces — what the position is of the government of Manitoba and the federal government — and whether that package can be put together in the next short time or whether we're looking at protracted negotiations.

Mr. Chairman, the other aspect of farm machinery ... When the value of the Canadian dollar goes down, farmers have a tendency to think that's a very good thing because it will make our exports less costly. That's true in the short run. There's no question about that. Remember in 1962 when we had the 'Diefenbuck' dollars, the 92.5 cent dollars the Liberal Party had manufactured by the tens of thousands and was distributing from door to door. At that time, of course, the Conservatives were arguing it was a very good thing to have a 92.5 cent dollar, and the Liberals were arguing it was a very bad thing. Now the Liberals are in power, they're arguing it's a good thing to have an 87 cent dollar, and the Conservatives are arguing it's a very bad thing. But apart from that sort of political contradiction which one finds from time to time ... The Member for Whitecourt says, what does the NDP think? I'm coming to it in a moment. Before I get there though, I'd just like to set the groundwork, a little bit of the past record.

Remember the hon. Minister of Transportation, when he was campaigning for re-election in 1962 and arguing very forcefully for the 92.5 cent dollar, the 'Diefenbuck', as it was called in those days.

But, Mr. Chairman, in my view one of the problems of the present 87.5, 87.8, 87.9 — or wherever the dollar will end up in the next few weeks or months — is that there will be an increase in prices for those things we have to import. And since a large part of our farm machinery is imported, that will have an impact on the price of farm machinery. There's not too much the province of Alberta can do about that, but I think it is one of the negative side effects of the decline of the Canadian dollar. One of the positive side effects is that it does make our exports slightly more competitive. But one of the negative effects is the impact on those items farm people have to import. Having said that, personally I believe we have to have a floating dollar. I don't think we should be propping up our dollar. If we try to prop up our dollar at 100 per cent parity with the United States, I think we will completely wreck the Canadian economy. I think a floating dollar is probably something we have to live with and accept the consequences. But there are some very definite consequences to farm people as consumers.

Another point I'd like to deal with is the hog board question: whether there will be a resumption of the

buyers' strike that occurred last summer. Some people have said there was a withholding action by the hog board, therefore the hog board was almost attempting to use NFU strategy in dealing with the poor packers. In actual fact, Mr. Chairman, as I understand the situation of last August, that's not true. What the hog board decided to do was to set a price, which was a very low price compared to other markets at the time — 62.5 a hundredweight. The smaller packers agreed to pay that price and were delivering hogs. But there was a buyers' strike by the major packing plants. In other words, they said, we're not prepared to pay that price, and they refused to buy at a price set by the board. I don't call that a withholding action; I call that a buyers' strike.

I think the government is to be complimented on the new system. Personally I like the new system, the advance bidding system. I hope we can make it work and can stick with it. I am under no illusions that certain people in the packing industry don't like the advanced bidding system. It will improve enormously the farmers' position in the market place, because it is the farmer then, as an individual, who decides whether or not he's going to market under this system. I think it's a very good system; but I would just say to the minister that you're going to be under a good deal of pressure from the packing plants to back away from it. I would hope that any modifications made are only modifications in the mechanics, and not any moving away from the principle of the system, which is a good one and which, there is no doubt in my mind, will be under a good deal of pressure in the weeks and months ahead.

Mr. Chairman, in concluding my introductory remarks, another point I would like to raise is this question of crop insurance. I think it's fair to say there have been some useful changes in crop insurance as a result of the unfortunate situation we had last spring in much of northern Alberta. In northern Alberta, as most members know, we had anywhere from eight or nine to 12 or 13 inches of rain during the month of May and in early June, so a large number of acres were not seeded. The problem is that while people could insure summer fallow, it wasn't possible to insure stubble. That has been changed, and the consequence is that crop insurance is probably a more attractive package now to northern farmers than it was a year ago.

But, Mr. Chairman and members of the committee, we still have a long way to go if we are going to convince most farmers to take out crop insurance. I happen to be one of those people who believe that crop insurance is something we should be promoting all the time. It's a far better system than temporary programs — as we had to bring in a program in 1974, another in 1975.

I would just issue this caveat: it is unfortunate that when payouts are made under crop insurance, too often the press has a tendency to play up this payout as if it were a form of government grant to the farmers. It's no more a government grant to the farmers than the final payment from The Canadian Wheat Board. But the press has a tendency to say, you know, \$10 million or \$5 million or \$2 million is being paid out. The inference left with a lot of urban people is, look, these farmers are at the public trough again; there they are, getting all this money. In actual fact it is just simple crop insurance payment to people

who had the prudence to take out the insurance in the first place.

I just say to the minister that I think some changes still have to be made in the crop insurance program. I suggested last year that we should have a committee of the Legislature to review crop insurance. There was a committee in 1972. I think perhaps the time has come to take a second look at crop insurance. With approximately 30 per cent of the farmers taking it out, that surely isn't good enough. We should have crop insurance, particularly when members keep in mind how heavily subsidized it is; half the premium is paid by the federal government, the administrative costs picked up, this sort of thing. Crop insurance is something the average farmer should take out.

I think I could make a number of suggestions. For example, the whole business of the rate classifications. A number of farmers in the north feel they are being discriminated against because of the rate classification system. Some have even suggested to me that we set aside . . . I want to underline that this did not come from either of the two organized farm movements as such, but came at a meeting I held in a little place called Savanna. About 100 people showed up who were concerned about the crop situation. One of their major reasons: to try to get the government to come out with an assistance program. The government decided not to do that. I think that's unfortunate. But during the course of the discussion the suggestion was made by one of the members of the local ag. development committee, and backed by almost everyone there, that maybe we should be looking at crop insurance in a different way. Maybe we should get away from the insurance concept and look at it in the same way as workers' compensation, that there would not in fact be a penalty if one has to use it. Because after all, if you're flooded out, rained out, snowed out, frozen out, or hailed out, if you use normal insurance yardsticks to decide whether or not payout takes place, obviously a bad record is going to mean higher premiums. Well, these people were arguing that we should set aside that concept and look at the basic concept in the workers' compensation scheme.

Mr. Chairman, having said those things, there are many other issues that can be raised. I'll pursue some of the specific things in the questions that follow the minister's general remarks in summary.

MR. TAYLOR: Mr. Chairman, I'd like to make one or two comments in connection with the agricultural vote. The first is in connection with a general one, library facilities. I notice quite a few of the departments now are building up their own library facilities. I wonder if this is being done in a way that's building up a library specifically for that particular department, or if it's a duplication of what is already found in our provincial library or our public libraries. I think a case can be made for specified and specialized books on transportation, agriculture, environment, and so on. While the sum seems fairly large, I am concerned if it's simply a duplication of what is in our provincial library, whereas if it's a specialized library dealing with topics of value to the people in each department, then I think it's an expense that can be justified.

I would like to see the money spent on libraries totalled and aggregated, so that when people are making comparisons of what is being spent on

libraries in Alberta they are going to consider all libraries, not just the main provincial one, when there are so many libraries that are serving a reasonably large number of people.

The second point I would like to mention is in connection with weather modification. The weather modification and hail suppression programs have been conducted for a long time, and it seems as if they're going to go on forever without any specific result being achieved. I consequently commend the minister for his statement today in which he says there's going to be a definite review of what's been done to see where we're going, if we're getting there, and what we are accomplishing.

While I am a believer in weather modification, a considerable number of farmers and producers in the province do not go along with weather modification, or hail suppression for that matter. I think not the termination of the program but an analysis of what has been accomplished, where we've got to and where we're going, would be reassuring to all the people of the province.

I say I believe in weather modification because 10 years ago when I was driving between Crossfield and the Carbon area, a big black cloud came from the west, and I felt we were in for a really terrible hailstorm. The first two or three stones that hit my car were really large, and I thought it was really going to be bad. Then to my amazement it suddenly turned to soft, mushy snow. The planes had been up and had distributed the silver iodide. It had its effect, and the hailstones fell as soft, mushy snow, doing no damage and a lot of good.

So I believe that where you can treat clouds with silver iodide, you can get results. I'm inclined to believe there is not only one method of doing this. I think that has to be analysed very carefully. There's one school of thought that ground generators shouldn't be used and another school of thought that ground generators are essential if the program is going to be successful. If the distribution of silver iodide can be made better through ground generators than through aircraft flying into a terrible storm, I think there's a place for those ground generators. That's another aspect that has to be analysed very carefully.

I think the program the government set out was generally acceptable to the people of the province, particularly to the people of the area in which it was conducted. There's still concern by people of some religious faiths that we are interfering with what God intended in regard to rain, hail, drought, and so on. I don't adhere to that thought. I believe man was given a brain to improve the situation in the world. We can advance with technology and so on, perhaps not to the point where we can completely control our weather but where we can certainly have a very definite effect.

There are some who feel that the movement of weather modification simply solves the problem for that area and sends the storm or the damage elsewhere in the province. That may or may not be true. But I think a number of facets should now be brought together and nailed down in order that we can see where the research is going and whether we're getting the final objective, what we really want to do. Because if we can get to the point where we know we can control hail or weather, of course programs

can be set out and we can achieve the benefits of that. I think that is the ultimate objective.

I sat on the Research Council for a number of years and was chairman for a number of years. Year after year I would ask the researchers, are we getting anywhere nearer the place where we can reach a definite conclusion? The answer was always no, there's still more research to be done. Perhaps that will always be the case. But I do think we've carried out research now for quite a few years, particularly under the present government and their program after the weather report by members of the Legislature. I think the minister is wise in trying to nail this down now to see what we've accomplished, what still has to be done, and if the program is worth while. I think it is, but I'd like to see the results just the same.

One other point I want to deal with is something that is worrying our producers. It's almost impossible today to drop into a farmhouse and have a cup of coffee with the farmer and his wife and family without the concern showing that farmers are worried. They're worried because they just can't seem to get any assurance that they're going to be able to get a price that will pay them the costs of production plus a profit. Other industries can establish their costs of production, add on their margin of profit, and then sell for that price. In the majority of cases farmers are unable to do that, because the price is set by world markets or by factors that are not under their control at all. As the hon. Member for Whitecourt mentioned the other day, there are times when the cost of production is 60 cents, and the product is sold at 45 cents.

I believe the only reason, really, that farmers have been able to stay in business in regard to this cost/price squeeze and the costs they get for their production is the family farm. Without the family farm I think our agricultural industry probably would have folded up a long time ago. The production of food by the family farm is far more economical than it can ever be by a corporation. A corporation must have regular working hours. They must have holidays with pay for their producers. They must pay unemployment insurance when they don't work. They must pay workers' compensation in case there's injury. The costs are far greater for a corporate farm than for a family farm.

The family farm assumes a lot of these things. There's no unemployment insurance to pay. Few — and I'm sorry to say this — take out workers' compensation, sometimes to their detriment and sorrow. But it's an expense they assume, and maybe they're more careful in that regard.

I would like to see workers' compensation extended to the farms, and many farmers want it. But today the cost of it per \$100 payroll is too high. It's just another expense that's added on to make their operation less viable than it is even today.

So workers' compensation is not done. But in a corporation operating a farm they would be bound by law to take out compensation for their workers. As a matter of fact, some of the farmers in the south found that when they brought in Mexican farmers, the Mexican government insisted that workers' compensation be carried for those farmers. We had the very bad policy one year where Mexican workers were covered and Canadian workers weren't. I'm glad that was remedied. If workers are being covered on a

farm, it's covering all workers irrespective of their place of origin.

I'm not planning to talk on workers' compensation today. I simply used it as a factor. But because a family farm has a number of people working — the wife, the children, the grandfather, the uncle, the aunt — it is able to produce food at a price far less than a corporate farm could. In my view that's the major reason the farming industry has remained intact for so many years without being able to meet the costs of production. I realize there are some good years and some bad years, but the number of bad years far exceeds the number of good years when the farmers can get a reasonable profit. In 1977 for instance, the amount of return from The Canadian Wheat Board, which is the farmers' own money, was probably half or less than half of what it was the year before. Yet the cost of everything has gone up over that period of time, so the farmer found himself in an even more terrible position.

I would like to suggest one or two things because it seems like there has never been any real solution to this. We assume the price is set by the world market, and the farmers can't do anything about that. I think in a country like Canada, where the backbone industry is agriculture, the Canadian and provincial governments working together could do something about making sure that the part of the crop sold within Canada is sold at a price that gives the farmer a reasonable return.

I've been in the homes of many, many workers who are poor, living on the fringe of poverty, but I've never had any of them suggest that farmers should work for nothing or that farmers should not get a reasonable price for their production, plus a profit. After all, that's the free enterprise system. The farmers are the backbone of the free enterprise system. But the free enterprise system just won't work unless there's profit. That's the incentive. You spend \$1 so you can make \$1.10, \$1.25, or \$1.50. That incentive has given us one of the highest standards of living in the world, because people are willing to risk their money, to invest, to borrow, in order to do these things.

When we look at the cost of production today and the price the farmers are getting, I think two things can be done. Number one, the cost of production can be cut. The government of Alberta is to be commended this year because one of the very important costs of production, the cost of fuel for producing foods, has been greatly reduced. This is going to show up and be a real advantage to the producers of this province. Incidentally, they then have an advantage over the producers of other provinces where they still are not getting that advantage. It helps to bring into line the higher wages that must be paid in our province compared to some countries with which they have to compete, where wages are far less than a Canadian would even consider living on or working for. So cutting the cost of production is good.

I'm suggesting that the encouragement of the family farm is probably the best possible way of getting \$1.50 value out of every \$1 spent in producing foods because the wife, the children, the grandfather, the grandmother, the uncle, and the aunt all join in and work without the thought of holidays with pay, without the thought of wages at all, just a reasonable living on their farm. That's one way of doing it.

On the other hand, I would like to see a system

worked out, particularly in Canada where we do have the control, where agricultural products used in Canada are sold at a price that will give the producer a return on his money so they are not sold below the cost of production. When you consider the price of a loaf of bread compared to the price the producer got for the wheat that went into that bread, there is just no relationship at all. It's hard to trace all the middlemen. Maybe some are essential; maybe some aren't. But the end result is, how much does the producer get and how much does the consumer have to pay?

I think a system could be worked out in this country, through the co-operation of all governments, that would give the producer a fair return. The farmers are not asking for a luxurious living. They are not asking for a Cadillac or the most modern of farms, homes, et cetera. They want to live well, but not extravagantly. The increase of a few cents on many of the things sold today would give the farmers a return and bring them above that line where they are going to make some margin at least on the things they raise.

I say this is one of the important things in the minds of farmers today. Irrespective of what they're producing, they want to get a reasonable return on that production. They don't want an extravagant return, but they want their cost of production plus a reasonable margin so they can share in the good times along with everybody else in the country.

I think that's all I'm going to say in connection with this, except for one other point. I think the farmers themselves feel they can cut down some of the costs of production they're being faced with today. For instance, a number of farmers in my constituency feel there should be cleaning and drying facilities on the prairies. Some of those who have money invested at the coast do not go along with that at all. Even some farm organizations don't go along with that.

For many years the farmer has been giving away the screenings from his wheat free of charge. Others have been making a profit from it, but the farmers have been giving that away. They not only pay the freight, and storage at the rate of about one-fifteenth of a cent a day until it's sold, but they get nothing for it whatsoever. Others are making the profit from those screenings today.

I think a lot of things in grain marketing, the grain handling system, have to be looked at very, very carefully. Farmers are becoming concerned about how their grain is marketed. They want to have some input and better facilities. Another item that maybe brings this to the fore is the fact that the farmers have no control over what happens once their wheat heads for the coast. Strikes have happened that have gone on week after week, and one time month after month, with the Canadian government doing absolutely nothing about it. The people who took the blunt end of the stick were the prairie farmers.

We lost our barley market at one time. The United States grabbed it while our workers were on strike at the coast, and the prairie farmers have never got that barley market back. We lost it, not because of anything the farmers did, but because of something over which the farmers had no control. There is a growing concern about this power of people to withdraw their services and adversely affect the lives and the livelihoods of other people who have no control over that



whatsoever.

I think research should be done, and some is being done. I believe the Canadian government invested in an inland terminal in Saskatchewan. That is being followed out, and as far as I know is working out pretty satisfactorily. But farmers are concerned. I would like to see the hon. minister give some consideration to using some of the research money to look into the grain handling system, production, and so on. The grain handling system is one of the major concerns, because today there is little difference between the elevator trying to handle grain in a modern way compared to the elevator that was handling grain when it was hauled there by a horse and wagon.

The only other thing I want to mention in connection with the Agriculture vote is that I believe the minister and his department are to be commended for their attitude of listening to farmers. Standing very prominently in this group of men and women is the Farmers' Advocate in this province. I have yet to hear any farmer complain about the attitude of the Farmers' Advocate. He will talk to anybody and everybody. He'll analyse their problems. He'll tell them if they have a problem, if they're being fair, if they're not being fair. Farmers now respect him so highly that they accept his judgment.

I think the government is wise to have a man of that calibre who knows the farming industry, and who is willing to talk to every Tom, Dick, and Harry, Mary, Anne, and Josephine if they have a problem in connection with agriculture. He's not afraid to talk to the big moguls of the multinational oil companies on behalf of the farmer. I think this is typical of many people in that department. I want to commend the minister, the Farmers' Advocate, and the others who are working to try to make the lot of the farmer more productive and better.

After all, the farmer, in my view, is the backbone of our livelihood in this country. If we don't get food produced at a reasonable price, everybody will suffer. If the family farm ever disappears, the city dwellers will really have some sorry times on their hands, because then they will pay all the market will bear.

MR. CHAIRMAN: Mr. Minister, do you wish to respond to any of the points brought up by the hon. members?

MR. MOORE: Mr. Chairman, just very briefly, the hon. member from Bow Island made a number of points. First of all I want to thank the members for the representations they've made and for comments they've made with respect to the areas which were . . .

DR. BUCK: Bow Valley.

MR. MOORE: I'm sorry. Bow City. You're doing a good job.

First of all, Mr. Chairman, with respect to federal government involvement on water resource management projects and dam construction, the hon. Minister of the Environment, the Minister of Federal and Intergovernmental Affairs, and I have discussed this matter. We are keenly aware that the next few weeks is an appropriate time to make further representations to Ottawa. I think I'll leave it at that and let the Minister of the Environment respond when his

estimates are up.

The subject of Crow rates was mentioned by a good number of members. In that regard I only want to say it is quite clear, I think, that we have all-party agreement. The Minister of Transportation, whose estimates come very shortly after Agriculture in the House, of course would want to elaborate on that as well.

The matter of surface rights mentioned by the hon. member from Bow Island, and the question of the three-month period which an individual has to apply for upgrading his surface lease, was dealt with by way of the amendments introduced yesterday by the hon. Member for Hanna-Oyen with respect to The Surface Rights Act. I know the hon. member may not have had a chance to look at those yet and decipher what they really mean. But in fact what they mean is that a farmer will now have the opportunity of asking for a renewal of his surface rights for 12 months before the end of the five-year period and any time after that, although if he waits until after the five-year period the new lease payments would not come into effect until January 1 of the following year. But I think, Mr. Chairman, the member will see that we basically solved that concern by the amendments introduced in the House yesterday.

The hon. Member for Drayton Valley raised the question of research and a research station he's concerned about. I want to emphasize that the dollars we're putting into agricultural research were not designed to build research stations. That's partly because of the view that there is now a lot of research capability in this province in terms of physical facilities that are not being utilized to the full extent.

To do research in the gray-wooded soil area of Alberta doesn't necessarily mean we need to construct research stations. I know that on my father's farm the Beaverlodge research station has had, for many years, free of charge, plots of ground in different locations where they plant various kinds of crops during the spring, and observe and harvest them. That goes on out of Beaverlodge, as far north as Fort Vermilion.

So it's quite possible to do a great deal of research in the gray-wooded soil area of Alberta out of the existing federal research stations, out of the University of Alberta here in Edmonton in fact. Probably the more proper way to carry out that research is to have those researchers out in the field in different locations, maybe as many as 20 different locations, so they can determine what in fact is happening in a given area.

To move from there very briefly to the comments by the Member for Spirit River-Fairview with respect to international marketing. I only say there that I am pleased with the aggressive approaches being taken by the international marketing division of our department. You don't hear a great deal about it, but that group is well respected in many countries of the world and has made a lot of progress in assisting the people in Alberta who asked for assistance in terms of developing and serving export markets. We'll certainly continue that. Mr. Chairman, I think it's fair to say that, if anything, that kind of work and the thrust we've got there from the experience we've gained over the years is serving us much better now than the Alberta Export Agency was. Really what we've done,

I think, is not go out of that area at all. But we've strengthened our ability to be of service in that area. It's now operating under a different name, but the functions being carried out are pretty well identical.

With regard to bilateral or multilateral discussions, I think it's fair to say that we need to approach both aggressively. That of course is what we're doing. We're aware of the long-term benefits that can be gained through the GATT discussions. We're aware as well of the bilateral agreements made by various countries from time to time. It's our view that we should not ignore that opportunity.

With regard to this common market thing with respect to the U.S., I would only say that really what we have today in terms of many agricultural commodities is a common market as far as the U.S. is concerned, because products like soybean oil and meal, certain cuts of beef, and so on move from the U.S. into Canada virtually duty-free. But when we turn the other way around and try to get our oilseed products, rapeseed oil and meal, or certain cuts of beef into the U.S. market, we're faced with a tariff that doesn't exist if it's coming the other way.

So as far as the U.S. is concerned we've got the common market now. All we're asking for is equal treatment. We're being told, you have to trade something off for that. I guess we should have been around the table 10 years ago when Senator Harry Hays, then federal Minister of Agriculture, traded off some, according to his own statements here in Alberta a few months ago. That's what we're trying to do in that regard.

I disagree with the hon. Member for Spirit River-Fairview on one area: the strength of the farm vote, not only in this country but in the United States. Sure, the numbers are pretty small, but if you think back to the presidential election campaign of November 1976, the quotas were slapped on offshore beef coming into the United States right in the middle of that campaign. During the course of the last three weeks I've heard the most positive statements I've heard in four years coming out of Ottawa with respect to maintaining the quotas on Australian and New Zealand beef coming into Canada. They're saying, yes, those quotas will be maintained even with the price of beef rising in Canada. So I have the tendency to think, Mr. Chairman, that in Canada and the United States we do a little better just before elections than we do just after with regard to farm problems. I would like to think that due attention would be given to that problem after the election, and in between as well.

The member mentioned the fact of the Canadian dollar. I think it's important for members to know that we've had an assessment of the effects of the devaluation of the Canadian dollar against the American dollar and other foreign currency with regard to agriculture in this province. I want to emphasize at the outset that I'm talking about the immediate effect in this year of 1978 or perhaps 1979, not the long-term effect that may result from a continued devalued dollar.

The situation quite frankly is that our farmers in this province benefit from a devalued dollar. They benefit because our major commodities of beef and grains, rapeseed and so on, are priced on a world market. With countries like Japan being a major buyer of oilseeds, and with the Japanese yen having

strengthened a great deal over the U.S. dollar, and the U.S. dollar over the Canadian dollar, our oilseed prices are where they are today only because of that devaluation. The other thing that can occur over the course of a year or two is that farmers can defer purchases of machinery, as they are doing now. So quite frankly, we benefit to a fair extent by that devalued dollar in Alberta agriculture over the short term. I'll conclude on that by saying: that shouldn't be construed as meaning that over a longer period of time our economy or our society, even in agriculture, would benefit, because I'm not sure that it would.

I go from there to mention that the question of Canadian Co-op Implements Limited is still not resolved. The proposal we made two weeks ago, I believe, that we would provide a guaranteed loan on certain conditions is still, I think, subject to negotiation. Last Wednesday night in Winnipeg there was a meeting of a number of the parties involved in the refinancing scheme — which I learned about at 9 o'clock Wednesday morning, and was not able to attend, but did in fact have a telephone conversation that evening — wherein the federal government brought in a document that was to be signed by all parties to the agreement, which in terms of the security being offered was not acceptable to us. I advised the federal government and other parties of that. As late as this morning, I replied to a telex from the federal government asking us about our position. Just before coming into the House this afternoon, I advised them that as far as we're concerned the door is open to negotiation.

But I have some difficulty understanding the federal government position, which is that if the matter is not resolved almost immediately their offer expires. By way of the fact that they passed an order in council some weeks ago, they're not able to change their mind, or negotiate with regard to the matter of security. So I guess in short, Mr. Chairman, it's difficult for me to answer the question of what is actually going to happen, although further answers may be available later this week.

Mr. Chairman, I'll go on briefly to the comments of the hon. Member for Drumheller and say that the agriculture library is indeed a specialist sort of library with books and periodicals that relate only to agriculture and cannot be found elsewhere in government departments. It is for use generally by staff of the Department of Agriculture, but as well by the public if they so wish. The only possible duplication of the department's library may occur at the Faculty of Agriculture and Forestry at the University of Alberta. Because of the extensive use of both libraries, I don't feel it would be appropriate for us to scale down our investment in that library. Indeed, the reason I can respond in that way is that I asked the very same questions of the department two years ago when we were going through the budget: why have we got a library, why does it cost this much, who uses it, and what for? The answers I got led me to believe it was a wise investment, and one we should continue.

With respect to weather modification, I think I said in answer to a question in the House a few days ago that the five-year program we entered into in 1973 will now be a six-year program. The reason is that it is not possible to get the results of the five-year program in time to plan a program for the sixth year. So we will be continuing with the same program in

year six, and during the course of that year we will have the results and the evaluation of the five-year program and will have the opportunity to make a decision as to what we do from that point forward.

I think it's important for members to know that while there has been some pressure for us to change and modify that five-year program, add to it and so on, I felt if we were going to get some solid value out of that five-year program, it had to be maintained in a general way which allowed us to get a research opinion that was valid for us to carry on. While there has been some pressure to move a year faster expanding the program, I think it would be foolish to do that if we're still going to have all kinds of people who don't understand and agree that it is in fact a worth-while effort.

Finally, Mr. Chairman, I want to talk about the domestic price of wheat. The hon. Member for Drumheller raised the question of why farmers in Alberta and western Canada should be paying part of the cost of feeding our own people and the rest of Canada with bread that comes from low-priced wheat. I think today would be a good opportunity to say that we have had that question of the domestic price of wheat under review. We know that it's too low. Only recently I've concluded a review of the benefits that would accrue to our farmers if it were raised, and the very, very tiny amount, a fraction of a percentage, that it would raise the price of food across this country. I came to the conclusion that we will be making representation to the federal ministers who are responsible for adjustment of that price.

I would like members to know today what that representation will be. We will be asking the federal minister responsible for The Canadian Wheat Board to consider raising the domestic price of wheat to \$6 per bushel, so that farmers in this province and elsewhere in western Canada can in fact get the return they deserve, at least for the wheat consumed in the domestic consumption area.

Mr. Chairman, I think that generally answers the questions that were raised.

MR. CHAIRMAN: Thank you, Mr. Minister. We'll go to Vote 1, page 41.

MR. MANDEVILLE: Mr. Chairman, while we're on the topic — we discussed surface rights. I wonder if there's going to be any change in the policy of our surface rights for oil companies. I understand some of the oil companies have been doing some negotiating, and as far as Crown leases are concerned they would like to by-pass the leaseholder and deal directly through the Crown. I would like the minister to indicate if this is the case, or if there are going to be any changes in the policy.

MR. MOORE: Well, Mr. Chairman, I'm afraid I can't answer that question totally. No negotiations have been carried out at my level. There may have been some elsewhere between the oil companies and others in government. Perhaps I could defer the answer until the committee study of The Surface Rights Act, which will come later in the session. I'll try to have an answer at that time.

MR. NOTLEY: Mr. Chairman, I just have one question for the minister, and it's a follow-up on the CCIL

question. What was the deficiency as far as Alberta was concerned, in terms of the collateral as far as CCIL — the package that I understand was put forward by the federal government? Is the minister in a position to outline what the deficiency was from our standpoint?

MR. MOORE: Only briefly, Mr. Chairman. The financial package proposed that some \$24.4 million of debts payable by CCIL in one form or another come ahead of any financing by the four levels of government. In other words, any losses of the total assets of the company above that level would mean a complete write-off of any loan which we made. You add the \$24.4 million to the \$15 million of proposed government financing and you get a figure of \$39.4 million. We did not agree to provide funding where we would incur a loss below \$39.4 million, and had said from the outset that we felt we needed to be in a better security position than that.

MR. R. SPEAKER: I'd like to ask a couple of questions with regard to The Farm Implement Amendment Act, 1977, which involved the guarantee. I understand that act hasn't received proclamation at this point in time. I wonder if the minister could clarify why not.

MR. MOORE: The major reason it has not received proclamation is that the legislation as it was passed provides for a mandatory two-year warranty on power machinery — tractors, self-propelled combines, and so on — and that includes all parts as well, not just the power train, the motor and transmission, and so on. I have had discussions with major manufacturers and others, and I'm determined that if we implement the act, it will not result in an undue price increase because of that warranty. As yet I have not been able to determine that won't be the case.

As opposed to other legislation in Canada, we did not provide in the act for an opting out clause if the farmer wanted a lower price. Since the act was passed by the Legislature, I've learned that in the case of one company's sales, where an opting out clause was provided by Manitoba legislation passed two or three years ago, just over 99 per cent of the farmers opted for the lower price rather than the extended warranty. The very reason it hasn't been implemented is that I am proceeding with some caution with regard to implementing that act, then having to face the resulting price increase in farm machinery. I can only say that perhaps I should have given that more thought at the time the legislation was passed. I thought that once having passed it, that matter could be worked out, but it hasn't yet.

MR. R. SPEAKER: Can the minister clarify? I don't think we want to mention names of companies, but are the companies saying that if the act is proclaimed this is the percentage we're going to add on to our price? Is more than one company doing this at the present time?

MR. MOORE: I think it's fair to say they're all assessing what the extra warranty will cost. I have no way of preventing them from adding that to the price. Unless we want to dictate prices, we have to move with some caution.

On the other hand, I can say the passage of the act

has served notice on them that we want better warranties. I know that a number of companies are making what they call policy warranties: warranties that occur after the expiration of a one-year mandatory warranty that are much more favorable today than they were a couple of years ago. So it hasn't been all that bad to pass the act.

I would still hope there is a possibility of implementing the act in the near future. But I want to be assured when it is implemented, that if there is any price increase above their current selling price for the reason of the warranty, at least it's a very minimal one.

MR. R. SPEAKER: Mr. Chairman, under the act — and I felt this was the right place to ask these questions. With regard to licensing of either persons or businesses selling farm implements or small machines used by farmers, there is a section in the act which indicates that anyone in the selling business should have premises or a stock of parts within what is classed as a town, village, or organized centre of some kind, and that a person doesn't store his parts or have his service centre outside that kind of urban centre or small town or whatever. Was the minister reconsidering that policy under certain circumstances?

MR. MOORE: Without checking the act, Mr. Chairman, I believe what the hon. member is talking about is contained in regulations rather than written right into the act. I can say two things about that. First of all, we're anxious that we don't encourage the farmer type of dealerships scattered all over with no service or no parts, that don't last very long and then go out of business. We've had some problems in that area. On the other hand, I've told staff in my department on more than one occasion that where a dealership presently exists, and it's not in an urban area and is providing a service, I don't want to see them out there pulling their licence. I've been directly involved in one or two that were brought to my attention by members, and will continue to do so. I can assure the hon. member that we won't be passing regulations that are going to put people out of business who are presently doing a pretty good job, just because they are not in an urban centre.

MR. R. SPEAKER: Mr. Chairman, I was not attempting to infer that either. The existing situation I was thinking of was a person wanting to supplement his farm income and start a small business that would only be a minimal income, maybe \$400 to \$500 a month at the most, which really didn't warrant him buying premises or a lot, or getting very sophisticated in the small town. Under the act, he just doesn't meet the requirements to start that kind of business in a community.

MR. MOORE: Mr. Chairman, he can start that kind of business if he's selling a product, or equipment that's valued at less than \$1,000, because the act doesn't cover that. That's why the definition of a farm implement says, anything over \$1,000 which is used on a farm. Insofar as farmers starting equipment businesses as a sideline and selling major machines and so on, I have to say that does destroy the possibility of a dealer making his living who has service,

parts, and everything available. We're not anxious to encourage farmers to go into sidelines. We've had some with respect to foreign makes of tractors and so on that have been brought in, where somebody sells them for two or three years and then quits. You have no parts, no service, and it's not a very good situation. We're not encouraging that. On the other hand the smaller types of operations — I think the Smith-Roles farmer dealership thing — usually involve equipment less than \$1,000 in cost, and they can go right ahead and do it.

MR. MANDEVILLE: One more quick, general question in relation to the federal Income Tax Act that came in in 1972, where capital gains were involved. They later brought in an amendment that was supposed to assist where a father was transferring his farm to his son. Say they set up a company and are transferring from father and son to company, or vice versa. It certainly hasn't solved the problem as far as income tax is concerned. I'd like to ask the minister if he's made representation to the federal government in regard to the transfer of land, without capital gains, from father to son or from a family to a corporation or company.

MR. TAYLOR: Mr. Chairman, before the hon. minister answers that, I'd like to deal with this problem too. A few years ago a number of farm families were encouraged to form corporate farms. Now they're finding this is a very great disadvantage in regard to capital gains, and they're getting little sympathy from the Canadian government. I know of one case where if one brother happens to die, the capital gains are going to be so high they're going to have to borrow money to pay them. This is getting to be really ridiculous. When they were forming into a corporate farm, none of these things were mentioned, only the advantages. I think we have a great deal of concern about capital gains in regard to corporate farms today.

MR. MOORE: Mr. Chairman, I've discussed that matter a number of times in various areas. I can't recall whether or not I've made any written representations to the federal government on it. But I'll check in my office and see if I can respond later.

Agreed to:

Vote 1 — Departmental Support Services:

1.1.1 — Minister's Office	\$126,905
1.1.2 — Deputy Minister and Administration	\$189,846
1.1.3 — Financial Services	\$505,766

#### 1.1.4 — Personnel

MR. MANDEVILLE: Mr. Chairman, if I could ask the minister one question on this. I see in many of the votes the employees' contributions appear to be up 40 per cent and 30 per cent. Could the minister indicate in what area they are up, or what's the reason for employer contributions being up?

MR. MOORE: Mr. Chairman, I'm sorry I don't have the answer. I presume that refers to employer contributions with regard to unemployment insurance and so on. I don't have the answer to that. I'll try to get it.

Agreed to:

1.1.5 — Communications	\$2,269,908
1.1.6 — Systems and Design	\$882,495

### 1.1.7 — Agriculture Library

DR. BUCK: I'd like to ask the minister a question. In going to some of the different departments to order films and things from the library, it seems that just about every department of the government has its own film library, its own agricultural library. Whatever the department is, it has its own library. Mr. Chairman, I would suggest to the government that somebody get some expert to do a review to find out just how much duplication we have in some of these library and film services.

It's recently been brought to my attention that there are so many duplications. Maybe we should do a little cost/benefit study on finding out just how many libraries and film libraries we do have. You know it could be that we do have a lot of duplication. I realize and appreciate that certain departments have to have specialized information. But I would like to say to the minister, maybe he can head a task force to find out if we have a lot of duplication in our film libraries and our general libraries in all the different departments.

MR. MOORE: Mr. Chairman, I guess while the member was out I answered that very question in relation to some comments by the hon. Member for Drumheller. I can say that I am the expert. I told my staff two years ago there was no way they were going to have any increases in library funds. After a good look at it, they convinced me that the library in the Department of Agriculture is not a duplication of any other library, and that the periodicals, pamphlets, and books that are there are absolutely necessary for staff and other use.

So, Mr. Chairman, I'm convinced that is a very good investment out of a total of some \$63 million in the Department of Agriculture vote. It's absolutely necessary for our staff to keep on top of current things. Much of that library is periodicals and monthly publications that come from literally around the world and do not exist anywhere else, with the exception perhaps of the Faculty of Agriculture and Forestry at the university.

DR. BUCK: Mr. Chairman, to the hon. minister. Does the department have a film library?

MR. MOORE: There are some films, but the major emphasis is not on films. They form a very small part of the total.

Agreed to:

1.1.7 — Agriculture Library	\$185,534
Total 1.1 — Departmental Services	\$4,515,691

1.2 — Agricultural Assistance:

1.2.1 — Planning and Research Secretariat	\$394,210
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MR. R. SPEAKER: It's passed; now we can spend it. You mentioned in your remarks the effect of the devaluation of the dollar. It seems this is dealing with research. Have you a summary or some type of paper

that you could provide for the members to give us on paper the information you gave verbally, with maybe a little more detail?

MR. MOORE: I can try to do that, Mr. Chairman. Really it's a calculation of the sales that occur in agriculture products in Alberta in terms of beef, hogs, and grains as opposed to the rise in input costs. I guess it would be easy to do. I've had a variety of papers provided in various ways to come to that conclusion. I emphasize again, as I said earlier, that's not a long-term valid conclusion. But it is one for the short term. I'll see if I can put something together, in addition to the comments that appear in *Hansard* in that regard.

MR. R. SPEAKER: Could the minister just outline — are any other special areas being looked at in this Planning and Research Secretariat? What types of new plans or new programs? What is their priority list of responsibility right now?

MR. MOORE: Generally speaking, I believe that vote provides for the salaries of about 10 people, including the director of planning and research. They all have a variety of responsibilities in addition to the immediate programs we might put to them; for instance, a cow-calf grant program. In the work I did over Christmas and early in the new year with regard to Canadian agricultural policy, I had as many as four people in that area working for some length of time meeting with staff of other governments across Canada and so on.

So it's difficult for me to say what special projects they will be carrying out. A \$500,000 budget for agricultural research has been in our department for a number of years. They receive applications, make judgment decisions, and make recommendations to me as to what projects we should fund as they come in.

One of the members of the Planning and Research Secretariat does almost nothing but advise other department members and me with respect to land-use planning and matters that relate to coal development and agriculture. Another member of the Planning and Research Secretariat is a member of the board of directors of the Ag. Development Corporation and spends almost all his time 'liaising' with the 62 agriculture development committees throughout the province, so that they have some good idea of what's happening at the board of directors level in Camrose as opposed to out in the field, and vice versa.

Those are some of the things they do. Of course a very large part of the vote of course is for salaries, probably at least 50 per cent. The balance is for research funds, support staff, and so on.

MR. R. SPEAKER: Mr. Chairman, I believe the minister indicated they prepared the background paper with regard to the tariff and trade negotiations for the government, or some of the input for that. Is that what you're saying?

MR. MOORE: Not exactly, no. We have a special task force with one member drawn from my department, one from Business Development and Tourism, I believe, and one from Federal and Intergovernmental Affairs whom we would refer to as the people who do

most of the background work for us on trade and tariff matters. They may draw from this group in terms of asking for information, having it provided, and so on. Generally, the work being done for us on trade and tariff matters is done by a task force of three people from three different departments who report to four ministers in total: a committee chaired by the Minister of Federal and Intergovernmental Affairs, with me, the Minister of Business Development and Tourism, and the Minister of Government Services.

MR. R. SPEAKER: Would it be proper to ask questions with regard to what is happening in agriculture relative to the trade and tariff negotiations at this point in time, or would it be better to direct the questions to the Minister of Federal and Intergovernmental Affairs?

MR. MOORE: It would probably be more appropriate to direct them to the Minister of Federal and Intergovernmental Affairs during his estimates. Certainly we're pursuing a number of avenues in terms of getting what we think is beneficial to Alberta farmers in terms of the agricultural context. We've had some information from Ottawa with respect to the kinds of offers being made at the Geneva convention. It's fair to say that we're not as excited as we'd like to be about the outcome yet.

MR. R. SPEAKER: Is the minister at liberty at this time to make any comment as to . . . I'm not asking you to reveal what was sent in those communiques because the Premier certainly has a commitment to keep those confidential. But can the minister be more specific from his own point of view? I understand the needs, and my first question would be, from this earlier paper that was prepared: has the government's attitude changed with regard to trade and tariffs, from the new information you've gained? Secondly, do you see possibly some different priorities than you did when this was prepared on December 2, 1975?

MR. MOORE: Mr. Chairman, that particular paper was and is subject to continual review in light of changing conditions, but also in light of trade-offs that may occur and so on. That paper was updated recently in terms of our providing information to the federal government. It will continue to be updated any time we think it is necessary.

Insofar as what has transpired in terms of exchanges of offers and so on, the hon. member would know from the discussions held at the first ministers' conference that while we put a very strong case forward for receiving that information, it was on the condition that it would remain absolutely confidential because of the nature of the bargaining.

MR. NOTLEY: I appreciate that it would be improper for the minister to table in the House or discuss the information in the offers list, and I'm not really asking him to do that. But I am interested in whether the minister is satisfied that, pursuant to what I thought was the agreement at the first ministers' conference that the information would be sent, the federal government has in fact made available to Alberta — I'm not talking about what the information is — but information dealing with the agricultural aspects of

the GATT negotiations. Are we fully satisfied we have all the information vis-a-vis the offers list of the major participants in the GATT talks, or is there still some problem with getting the information?

MR. MOORE: Mr. Chairman, I don't believe we are fully satisfied, but I think the question would more properly be addressed to the Minister of Federal and Intergovernmental Affairs during the course of his estimates, or during the question period. I can't comment any further than that.

#### 1.2.2 — Agricultural Societies and Research

MR. NOTLEY: Mr. Chairman, on 1.2.2. I don't think there is any question about us approving that vote. But I notice, Mr. Minister, the estimates for '77-78 were \$2.8 million, the comparable forecast was \$3.8 million, and we're looking at estimates this year of \$2,781,000, a fairly substantial reduction over the forecast.

MR. R. SPEAKER: Racing commission.

MR. NOTLEY: Oh, I'm sorry. Maybe I missed that. Is there an explanation for that reduction?

MR. MOORE: I'll give it again. It's very brief: the one percentage point rebate to the Edmonton Exhibition Association and Calgary Stampede Board was paid last year by a special warrant, about \$1.2 million. We hope this year to have legislation amended either federally or provincially that will allow those associations to retain that tax, thus not necessitating a requirement for any budgetary figure. So in fact the amount of funds available for all the other things we are doing is the same as it was previously.

MR. NOTLEY: Mr. Chairman, that's fair enough. That explains the difference. However, in view of the increase in the grants under The Agricultural Societies Act from \$50,000 to \$75,000, would that not involve a projected increase, or do those grants not come under this vote?

MR. MOORE: They come under this vote, and that's a fair question. The situation was that with a \$50,000 maximum grant to those classes of ag. societies the member is referring to, we were in a position where many of the ag. societies simply were not undertaking any major projects because of the costs being excessively above that. In addition, we were requiring that 50 per cent of the funds be contributed by them. With the change to a two-thirds government contribution, one-third ag. society, and the increase of \$75,000, we think we will be able to expend, or will have applications for, all the moneys there, but not too much more. When I announced a few weeks ago an increase from \$50,000 to \$75,000, many societies were waiting and had projects in the works. As the member knows, one in his constituency wanted to have an increase of \$25,000. Because surplus funds were there under the old \$50,000 program, I've processed within the last three weeks applications of close to \$500,000, most of which were these \$25,000 additional and supplementary grants. So I'm confident that that initiative during the last month,

together with next year's budget, will take care of all the requests we have for ag. societies grants.

MR. NOTLEY: Mr. Chairman, I've no doubt that the changes will stimulate various agricultural societies to make applications. My only concern is whether or not this vote will be able to accommodate what I suspect will be a good deal of interest by a large number of societies, and whether or not we aren't, if I can use this term, being too conservative in our estimate, in light of the enthusiastic response, I'm sure, of various ag. societies over the next few months to expand and take advantage of this additional money.

MR. MOORE: Mr. Chairman, I think it's right on. Of course with the unanimous consent of the Assembly, I always have the ability later in the year to approach the Provincial Treasurer on the matter, if in fact it's not enough.

MR. TAYLOR: Mr. Chairman, I'd just like to take a moment and commend the minister, his department, and the government for the encouragement they have been giving to the formation of agricultural societies. These societies are now viable community assets. The encouragement — not only the work the societies are doing, but the fact that they're bringing town and country together — has created a far better province than we otherwise would have. I would like to commend the government for the grants they are giving to help the agricultural societies to help themselves. I think this is a proper place for grants, and I think the work being done is really excellent.

MR. R. SPEAKER: Mr. Chairman, to end on the right note, I'd also like to add my compliments to the program. I have seen some very good things come of

it. For example, the town of Vauxhall has used the grant and had fairs in the last year. They just organized a successful — I missed the Treasurer's submission of the budget to the Assembly — ethnic or cultural dinner. They expected 400 to 500 people, and they had over 1,000 to the dinner.

DR. BUCK: Speaker couldn't miss that one.

MR. R. SPEAKER: How could you miss that? Vested interest.

Through the office of the minister and his staff setting up the ag. societies and getting them on their feet, these are some of the things they've been able to do. Next year they have planned a very active program. The grants were certainly the motivating factor.

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

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration a certain resolution, reports progress on the same, 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.

[At 5:33 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]

