

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Tuesday, April 22, 1980 2:30 p.m.

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

PRAYERS

[Mr. Deputy Speaker in the Chair]

head: TABLING RETURNS AND REPORTS

MR. COOKSON: Mr. Speaker, it's a pleasure to table the 1979 annual report of the Environment Council of Alberta.

head: INTRODUCTION OF SPECIAL GUESTS

MR. KNAAK: Mr. Speaker, it gives me great pleasure today to introduce to you and to this House 120 grade 6 students from Duggan elementary school in the heart of the Edmonton Whitemud constituency. The students are sitting in both galleries and are accompanied by their teachers Mrs. Laurie Faber, Angie Klompas, student teacher Glenda Francis, assistant principal Nestor Chomik, Irene Enns, John Law, and Barry O'Neill. I would ask them all to rise and receive the warm welcome of this House.

MR. HARLE: Mr. Speaker, it's my pleasure today to introduce to you and to the members of the Assembly some 22 grade 8 students from the Waverly school in my constituency. They are in Edmonton today and have presented a petition regarding Buffalo Lake to my colleague the Minister of Environment. They are in the public gallery. I would ask that they rise and be welcomed by the Assembly.

MR. KOZIAK: Mr. Speaker, in this introduction the fine hand of the hon. Member for Calgary Forest Lawn will no doubt be drawn to the attention of hon. members. *Monsieur le President, il me fait grand plaisir de vous presenter, el par vous, presenter aux membres de cette assemblée, un visiteur de Montreal.* For all the other Ukrainians in the Assembly, that basically is an indication of my pleasure in introducing a visitor from Montreal, Mr. Allen Rankin. I had the pleasure of meeting him. He's accompanied by my constituent. They're standing right up there in the corner. I would ask that all members welcome them to our beautiful province.

head: ORAL QUESTION PERIOD

Nurses' Strike

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Hospitals and Medical Care. Could the minister give to the Assembly at this time an indication as to the situation in the hospitals across the province as far as their operation in light of the nurses' decision?

MR. RUSSELL: Mr. Speaker, it's a situation we're continuing to monitor, as we have ever since the strike started. Personally I'm very concerned, based on the nature of the reports that had been received prior to the issuance of the order by Executive Council yesterday. We can only continue to monitor it. It's a situation which really changes hour by hour.

MR. R. CLARK: Mr. Speaker, to the minister. Is the minister in a position to indicate to the Assembly whether there is at this time picketing at the Foothills provincial hospital in Calgary, and if a large number of nurses on staff at Foothills have asked for and been able to acquire from the Foothills administration forms for possible resignation from that hospital?

MR. RUSSELL: I'm not aware of any picketing going on at the moment, Mr. Speaker, although due to the nature of the situation, it's quite possible there could be. I was advised yesterday that some 200 resignation forms had been requested and distributed at the Foothills hospital.

MR. R. CLARK: Mr. Speaker, to the minister. Is the minister in a position to indicate to the Assembly whether the construction workers at the Southern Alberta Cancer Centre, being constructed close to Foothills hospital in Calgary, have walked off as a show of support for the nurses?

MR. RUSSELL: Again, Mr. Speaker, I'm unable to answer that specifically. I know there have been some demonstrations of support by construction workers at construction sites throughout the province. There have been instances, for example in Red Deer, where the nurses attempted to picket the construction site. The contractor and, I think, the board were concerned about that being an improper action. So there have been a number of those kinds of instances throughout the province.

MR. R. CLARK: Mr. Speaker, to the minister. Did the minister notify representatives of the nurses of the cabinet's decision to invoke Section 163 of the Labour Act before the announcement was made at 1 o'clock yesterday afternoon?

MR. RUSSELL: Yes, certainly, Mr. Speaker. A great deal of attention was given to the two aspects of that matter; that is, properly delivering notice physically to both parties concerned, and after a reasonable time making sure news of that notice had been served to the media so that nurses throughout the province, particularly through the rural areas, and their hospital boards would be aware of the action taken.

I want to say that we do have a receipt acknowledging receipt of the message delivered to the UNA offices, signed by a person over there at 20 minutes to 1 yesterday.

MR. R. CLARK: Mr. Speaker, can the minister confirm that he was asked to meet with nurses and their association last December to discuss the question of wages and the negotiations? Would the minister indicate to the Assembly whether that meeting took place?

MR. RUSSELL: By the nature of the question, I suspect the request must have been made in some form or another, Mr. Speaker. I'd have to check my files to see if

such a specific request was made. I was meeting through the fall months with the AARN on other matters. Without checking my files, I'd be unable to respond to that question.

In any event, Mr. Speaker, I can tell you what the answer would have been: that the collective bargaining process was then in effect, and it wouldn't have been proper for me to get involved at that stage because those procedures did start in mid-October, as members are aware.

MR. R. CLARK: Mr. Speaker, to the minister. Has the minister met with representatives of the United Nurses of Alberta in the past month to discuss concerns with regard to wages or the salary negotiations that have taken place?

MR. RUSSELL: No, Mr. Speaker, I haven't. As far as I'm aware, my only communication has been through letters. I've received a number of letters. The response to those has always been the same, generally along the lines I just described: that they were involved in the collective bargaining process between their union and their employers, and that I would not get involved.

MR. R. CLARK: Mr. Speaker, to the Minister of Labour. Has the minister met with representatives of the nurses since last Thursday evening, as the minister had indicated to the Assembly?

MR. YOUNG: Mr. Speaker, last Thursday evening was the evening before the strike commenced. I have not personally had meetings with the representatives of the nurses or, for that matter, I think it fair to say, with the representatives of the Alberta Hospital Association. However, there have been mediation attempts during the intervening period prior to yesterday to make sure that every avenue that might hold some hope for progress in the negotiations had been exhausted.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Acting Premier, whom I take to be the chairman of the Treasury Board, the Provincial Treasurer. Has the Treasury Board met and given approval for the Hospital Association to make any new offer since the nurses left the hospitals last Friday morning?

MR. HYNDMAN: Mr. Speaker, that's not the procedure that has been or would be followed. The Minister of Hospitals and Medical Care spoke to that matter two days ago.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Acting Premier. Has any cabinet minister of this government met with the nurses or the hospital board representatives since the nurses walked out last Friday morning?

MR. HYNDMAN: Not to my knowledge, Mr. Speaker.

MR. NOTLEY: A supplementary question, if I may, to the hon. Minister of Hospitals and Medical Care. Yesterday the minister indicated that the government had set up a very comprehensive monitoring system to determine whether a back-to-work order under 163 was required in the judgment of the government. My question to the minister: in the course of assessing whether to invoke 163 of the Labour Act, did that monitoring system include consultation with the nurses who were providing emer-

gency service to most of the hospitals throughout the province?

MR. RUSSELL: Only indirectly, Mr. Speaker. I think it would be useful at this point if I described how that monitoring system worked. It really had four components, the first being reports phoned in twice daily by the administrators of the hospitals to personnel in the Department of Hospitals and Medical Care. Those reports were summarized, collated, and relayed to me twice daily, roughly at noon and 5 p.m. The second component was MLAs reporting on any undue concerns or signs of distressing activities in their own constituencies and with respect to hospital boards in their constituencies. The third was through the College of Physicians and Surgeons. I was hearing from the registrar, Dr. le Riche, who had been in contact by telegram with all chiefs of medical staffs of hospitals. The fourth was calls initiated by me to what I called five key boards in the metropolitan areas that we were especially concerned about because of the load on them.

At the end or beginning of each day, whatever the case was, I would then assess the compilation of comments we were getting and try to get a total reading of the situation across the province. It was in the reports from the administrators to my department people that the state of the nurses on duty was assessed. Comments on their morale, their state of tiredness, and their ability to cope with increasing loads were included in those reports given to me.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Why did the government not consider the avenue of some sort of cross-checking with the United Nurses of Alberta, in view of the fact that emergency service had been committed by that organization, to review the reports made by the hospital administrators? I say that because I know of at least one instance where there was in fact a very definite dispute over supplying emergency services between the UNA on one hand and the administrator on the other.

MR. RUSSELL: Mr. Speaker, I don't believe that was necessary. I think those comments were included in the reports and the information I was receiving. I did receive fairly detailed information about the circumstance that I believe the hon. Member for Spirit River-Fairview is referring to.

In addition, I should say there were numerous calls over the weekend, both to me and to my colleague the Minister of Labour, from a variety of nurses throughout the province offering their observations and comments. In giving this overview, Mr. Speaker, I simply feel that we had a very complete reporting system in place.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Yesterday the minister indicated that the government would live with any arbitration award and would finance such an award. Is the minister in a position, in view of the fact that during the course of the tribunal it is still possible to reach a voluntary settlement, that the government will make a commitment — it hasn't to date — that any voluntary settlement would be financed totally by the province of Alberta and would not have to come out of other elements of hospital budgets?

MR. RUSSELL: Mr. Speaker, I'm puzzled by that question, because I think the time for voluntary settlements is behind us as of 6 last night.

MR. NOTLEY: Mr. Speaker, then a supplementary question to the hon. Minister of Labour. In view of the announcement which indicates there is still room for voluntary settlement, or one would hope there is, is it the position of this government that there is no longer a possibility of reaching a settlement voluntarily during the course of the tribunal, until May 12? Is there any opening at all, in the view of the government, for the continuation of the collective bargaining process?

MR. YOUNG: Well, Mr. Speaker, the question the hon. Member for Spirit River-Fairview asks is a question of fact. I would suppose the hon. member has a copy of that ministerial order and the other documentation, because I know it was delivered to him this morning by my office, at his request. Inasmuch as it is a matter of fact, I would ask him, with respect, to please read the order.

Mr. Speaker, while I'm on my feet, a question was raised about the delivery of notice. I have before me a photostat from the delivery service. Since it left my office, I thought I would indicate that in fact it was delivered at 12:40. The news conference was deliberately not called until after that time to give proper and due notice to both parties prior to the news conference. The assistant deputy minister did in fact phone a member of the negotiating committee of the United Nurses of Alberta, who was the signatory — so she indicated — to the receipt that was here, and the assistant deputy minister advised her of the content of the envelope.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. In view of the fact that the nurses gave the 48 hours' notice required by law, what considerations led the government of Alberta to conclude that 5 hours and 20 minutes would be adequate notice to the United Nurses?

MR. YOUNG: Mr. Speaker, as the hon. Minister of Hospitals and Medical Care has indicated, the judgment was taken by the Executive Council of the concern over the state of hospital and medical services in the province. The deliberation then turned on what was an appropriate amount of notice to both parties. It was determined that that amount of notice should allow for distribution of the information across the province to the various hospitals and the various nurses' locals.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. In light of the fact that the United Nurses of Alberta are now contesting in the courts the government's back-to-work order, will the minister give an assurance to the Assembly that there will be no efforts on the part of the government to seek fines or even jail sentences as a result of this effort on the part of the United Nurses to clarify the legitimacy of the back-to-work order?

MR. CRAWFORD: Mr. Speaker, I don't know where the hon. member looks for some of the suggestions he makes. But it would be entirely clear that if the validity of the order is going to be determined by the court, that is where it will be determined. We expect that would be something that could take place fairly shortly. Our information is that it's the intention of at least one of the

parties to the dispute to see that that is done and to bring such an application.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour with respect to the back-to-work order under Section 163 of the Labour Act. Was the government's consideration of the back-to-work order based on (a) "damage to health", or on (b) "unreasonable hardship"? Which of those two qualifications in the Act was used by the government to judge that 163 was necessary?

MR. YOUNG: Again, Mr. Speaker, the hon. Member for Spirit River-Fairview has a copy of the order. The order is complete; it's self-explanatory. I'm sure if he takes the time to read it, he already has the information he seeks.

DR. BUCK: Mr. Speaker, to the hon. Minister of Labour. I asked questions yesterday of the minister; on a point of clarification, did the minister indicate that he had met with both sides Monday morning, before the order was brought down at 1 o'clock?

MR. YOUNG: Mr. Speaker, I did not so indicate yesterday or at any other time. I indicated the number of meetings that were held; the fact that some meetings had been held through Wednesday evening and Thursday morning; and, further, that subsequent to those meetings, in which I tried to explore all the items in dispute because of the very great seriousness of the dispute and because of my concern for the integrity of the collective bargaining system in this province, my concern for the lack of services that would develop in the event of a work stoppage, and my concern for any pressure which would be placed on either party — and certainly there are lots of pressures placed on the nurses as well as on hospital boards which are unfortunate, which are not conducive to good service, and which do not build a positive relationship in the short term — because of those concerns, as I indicated yesterday, I had called upon the highest elected officer of each of the associations and invited them to my office. In both instances they came and brought with them whomever they chose from their respective associations. That occurred the evening before the strike commenced.

DR. BUCK: Mr. Speaker, a further point of clarification. The minister is indicating to this Assembly and the people of Alberta that he did not meet with the two sides Monday, Sunday, or Saturday?

MR. R. CLARK: Or Friday.

DR. BUCK: He did not meet with them at all after Thursday night. Is that what the minister's saying?

MR. YOUNG: Mr. Speaker, I have repeated it at least three times, it is in at least two editions of *Hansard*, and I have just now repeated again for the hon. member the sequence of events and exactly when they happened. I don't know that it's of value for me to repeat it again to the hon. Member for Clover Bar, who I believe has heard it on every occasion. If he has not been able to receive it now, I'm not sure when he will be able to receive the information.

DR. BUCK: Mr. Speaker, we just want the point to be made very, very clear to the people of Alberta. The minister did not exercise a responsibility. [interjections]

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. Minister of Hospitals and Medical Care. In yesterday's Hansard [Blues] the minister indicated that:

The guidelines would still have to be recognized as guidance for the Alberta Hospital Association with respect to continuing negotiations that are coming up . . . with other labor groups in the [hospital] system.

My question, Mr. Speaker: is the government prepared to review the appropriateness of the guidelines, in view of the fact that after having one strike settled, the public will not want to see a series of strikes down the road, and that the guidelines stand as an impediment to satisfactory negotiation of collective bargaining in the hospital system?

SOME HON. MEMBERS: Order.

MR. NOTLEY: My question, Mr. Speaker, very directly to the minister: is this government prepared to look at the appropriateness of the 7.5 to 9 per cent guidelines as they apply to the total hospital system?

MR. RUSSELL: Mr. Speaker, we did take a very careful look at that before the range of the guidelines was determined. As the hon. member is well aware, we met with the executives of the various organizations before they were announced, discussed those guidelines with them, and indicated the objectives of the government insofar as those guidelines were concerned.

I think the hon. member is also aware that this isn't just an undertaking of the province of Alberta. Many governments are doing this, in a concerted attempt to try to bring some kind of economic stability back to public and private life in Canada.

So I think the matter the hon. member referred to has been given very careful consideration. I think the recent events with respect to the nurses' union are self-evident. They're saying they are worth more, and I think there's no question about that. Everybody agrees that nurses are worth more.

DR. BUCK: Put your button on, Dave.

MR. RUSSELL: Their employers and their union have been trying to determine how much more they're worth.

MR. R. CLARK: Their employers' hands are tied.

MR. RUSSELL: They've been unable to do that. I thought it was very fair to ask that the matter be referred to an independent arbitrator, a distinguished member of the Alberta bench who would adjudicate and bring down a settlement that is fair and binding on both parties. Therein is built a commitment by the province to supply the necessary funding to follow that arbitration award. But I hope the hon. member doesn't think that because of the particular situation in this profession, we should abandon all our public sector guidelines.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. It flows from the minister's answer that it is a question of determining how much people are worth, the employees on one hand and the employers on the other. Because of that very debate that must legitimately take place among all the professions and labor groups in the health field, is this government prepared to

unfetter the Alberta Hospital Association so that it can settle that between employees and employers on the basis of that objective evaluation of what the employees are worth?

MR. RUSSELL: Mr. Speaker, I think it's fair to say that some settlements have already been achieved within the guidelines. Whether this one will be achieved anywhere near the guidelines still remains to be determined, but I don't think there's any evidence to suggest that those guidelines should be abandoned at this point under the pressure of this particular situation.

Mentally Ill — Incarceration

MR. R. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Social Services and Community Health. It concerns the plight of mentally ill individuals who have not committed any crime, but have been held in city cells in Grande Prairie for treatment. Will the minister please explain why patients requiring non-voluntary psychiatric care have been held for treatment in the jail facilities in Grande Prairie?

MR. BOGLE: Mr. Speaker, I'm not aware of that particular situation. I'll take the question as notice and report to the hon. member tomorrow.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to indicate to the Assembly if he's aware of those kinds of facilities being used — any jail in the province — for mentally ill individuals who have committed no crime?

MR. BOGLE: Mr. Speaker, I'm not sure of the intent of the hon. member's question. As all hon. members of the Assembly know, there is a shortage of psychiatrists and psychiatric nurses in the province. Both hospitals which are under my department's responsibility, at Ponoka and Edmonton, are coping with that situation as best they can, recognizing the efforts we're making, which I've outlined to this Assembly, to meet that situation. In addition, the hospitals in the public system which have psychiatric wards are coping with it as best they can.

The hon. member has brought a specific concern to my attention, Mr. Speaker. I'll certainly investigate that matter and report to him once I have sufficient information.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Perhaps I could be more precise in putting forward my supplementary question. The minister indicated he was not aware of this Grande Prairie situation that's been brought to my attention. My supplementary question to the minister is: is the minister aware of jail cells being used to hold mentally ill individuals who have not committed any crime? Is the minister aware of those facilities being used to hold those people at any place other than Grande Prairie?

MR. BOGLE: Mr. Speaker, my colleague the Solicitor General may wish to add some light to the concerns which have been raised by the hon. Leader of the Opposition on this particular matter.

MR. R. CLARK: Mr. Speaker, then to the Solicitor General. Is the Solicitor General in a position to indicate whether jail facilities are being used in communities other

than Grande Prairie to hold people who have psychiatric problems but who have committed no criminal offences?

MR. HARLE: Mr. Speaker, I'd have to take that as notice. The community mentioned is not one where the Solicitor General's Department has any correctional facilities.

MR. R. CLARK: Mr. Speaker, to the Solicitor General or to the Minister of Social Services and Community Health. Does either hon. minister know of jail facilities being used to hold people who have the kinds of problems I've outlined, who have clearly committed no crime? What I want to ascertain is: one, is the minister aware of the practice that's going on in Grande Prairie? Secondly, is it going on in other areas of the province?

MR. BOGLE: Mr. Speaker, I've taken as specific notice the Grande Prairie concern of the hon. Leader of the Opposition. I am not aware of any instances where individuals in this province who have not committed a crime are being held against their will by any authorities such as those outlined by the hon. Leader of the Opposition.

Chemical Plant Closure — Calgary

DR. CARTER: Mr. Speaker, my question is to the Minister of Environment with regard to the Canadian Industries Limited explosives plant in southeast Calgary. The site is due to be closed. What steps have been taken by the minister's department with regard to the removal of hazardous waste material?

MR. COOKSON: Mr. Speaker, during its period of operation, Canadian Industries Limited made use of its own facility for storage of waste products during the refining process. It is presently being relocated. We in Environment are supervising the clean-up that's required because of the contamination in the area.

DR. CARTER: A supplementary, Mr. Speaker. Has consideration been given to the safe removal of wastes such as methyl mercury, and transportation to a disposal site such as the one located in Oregon state?

MR. COOKSON: Yes. It's estimated that as much as 3,700 gallons of methyl mercury may be in storage on the site. At the present time our people are supervising testing to determine the relative location, also any possibility of contamination of the soil. These will be removed from the site. We have several locations in mind for storage. If these aren't successful in terms of relocation, we'll be providing temporary storage until a safe location is obtained.

DR. CARTER: A final supplementary, Mr. Speaker. It's addressed to the Minister of Advanced Education and Manpower. Has the minister's department been involved with the management and employees at that CIL plant with a view to relocating or retraining any of the personnel?

MR. HORSMAN: Mr. Speaker, I'm not thoroughly familiar with all the aspects of the relocation of the CIL employees. But I would assume that this might be the manpower adjustment committee, which is the normal course of action where the management, the labor union — if any — or the employees' association, the federal

Department of Employment and Immigration, and my department co-operate to provide those relocation and training opportunities for employees who have to be relocated or otherwise displaced from their employment. I understand that such an arrangement is in effect, but I haven't got all the details. I would be glad to obtain those and provide them to the hon. member.

Provincial Court System

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Attorney General. It concerns the vacancy in the case of the chief judge of the Provincial Court. Is the minister in a position to advise the Assembly who is currently in charge of the Provincial Court system, and when we might expect a replacement for Chief Judge Cawsey?

MR. CRAWFORD: Mr. Speaker, I think the replacement for Chief Judge Cawsey can be dealt with within a matter of a week or so. I should say that the final selection of a successful new incumbent for that office has been tentatively made. I expect to complete the process in the time frame I indicated. In the meantime, with the services of seven assistant provincial chief judges, I'm not aware of any difficulties the court has had — given the fact, though, that the leadership of a new provincial chief judge is something they're looking forward to.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to explain the time period that has taken place — I believe it has been approximately five months? Is that in any way related to difficulties in attracting people because of the salary level?

MR. CRAWFORD: No, it isn't, Mr. Speaker. I think I could adequately, briefly, and fully explain the reason for the length of time; it's called "full consideration".

ADC Loans

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. Could the minister indicate if the ADC loans officers are able to handle the large number of loans they are presently processing as a result of his recent program changes in the Alberta development corporation?

MR. SCHMIDT: Mr. Speaker, there are some indications that in certain areas of the province the requests — perhaps not in an application form, but requests as to the program itself and the eligibility — are certainly causing a good workload for the officers in the field. At the present time, it's my understanding that the applications are being handled. We're watching it very closely to be absolutely sure, particularly at this time of the year, that the time involved in processing an application is not hindering those who wish to make application.

MR. MANDEVILLE: A supplementary question. As the minister mentioned, it's the time of the year that's causing great concern with the applications. Has the minister or the Alberta development corporation any contingency plans to speed up the processing of the loans, so that either the vendor or the purchaser will know who's going to be farming the land this spring?

MR. SCHMIDT: Mr. Speaker, I believe in areas where there is a time factor, applicants should consider making some options with the original owner, judging that perhaps there may be a time factor in making that application. We recognize that the time for seeding is drawing very close, and as the temperature gets warmer it gets even closer.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Has the minister or the department given any consideration to letting the loans officers have more input as far as processing the loans at the local level, instead of having them go to the regional offices and then to Camrose? Would the minister give some consideration to letting the loans officers themselves process some of these loans for our young farmers?

MR. SCHMIDT: Mr. Speaker, we haven't gone to that extent, but hopefully the loans officers themselves will be able to do sufficient on the loan application to cut down the time it would require before the ADC board in making that decision.

Treatment of Inebriates

MR. OMAN: Mr. Speaker, my question is directed to the Solicitor General. Over the past several months there have been several incidences that I think have reflected unsatisfactorily with regard to the practice of our police forces throwing people into the so-called drunk tanks and allowing them to dry out overnight. I'm wondering if the Solicitor General and his department have any methods or thoughts of changing the method of handling this situation, whether by way of the detox centre or whatever.

MR. HARLE: Mr. Speaker, that has been a concern. I think the hon. member would be helped somewhat by examining the Moyer report on that particular subject. In the case of Calgary, design is progressing on a new detoxification centre at the site of the old Red Cross building — which I understand will be removed — at 2nd Street and 15th Avenue S.E. As soon as the Department of the Solicitor General has received some further design on the structure, we'll be able to finalize it and, hopefully, commence construction before the end of the year.

MR. OMAN: Supplementary, Mr. Speaker. Would it then be the intention of the department to have the police or whoever take people to that centre rather than to the so-called drunk tanks now in the remand centres or wherever?

MR. HARLE: Basically I understand that to be the situation, Mr. Speaker. We have moved away from the concept of treating inebriates by putting them in drunk tanks. We want to get away from that system. I might say that, when the new detoxification centre is constructed, I believe we'll be removing it further from the correctional system so that it is regarded as a treatment and recovery centre rather than the sort of jail concept that presently exists.

75th Anniversary — Medallions

DR. BUCK: I'd like to address my question to the hon. minister responsible for medallions — Minister of Government Services, Mr. Speaker; I'm sorry. Can the minis-

ter indicate if he has received representation from the Calder drop-in centre senior citizens' group protesting the medallion program? I asked that question last week and the minister didn't have that information. Does he have it now?

MR. McCRAE: No, Mr. Speaker.

DR. BUCK: Mr. Speaker, has it been brought to the minister's attention — or maybe I should speak to his executive assistant — that a senior citizens' group is sending petitions around the province protesting the unfairness of the medallion program?

MR. McCRAE: Mr. Speaker, I read that in the paper this morning.

DR. BUCK: Mr. Speaker, the minister is really on top of things; I'm really glad to see that.

Mr. Speaker, to the minister: has the minister given any consideration to the re-evaluation of the program as it applies to different age groups?

MR. McCRAE: Mr. Speaker, we put a great deal of thought into the program before we made the decisions we did.

MR. NOTLEY: Oh, oh.

DR. BUCK: No, you didn't.

MR. McCRAE: In answer to the question, we have considered whether there should be changes in it, and at this juncture we see no need to make any changes whatever.

DR. BUCK: Mr. Speaker, to the minister. Can the minister indicate the rationale behind the division into the three age groups, where some people have been living in Alberta 74 years and other people have been here only three years but are over 75 and get the higher medal? Has the minister given any consideration to the re-evaluation of that?

MR. McCRAE: Mr. Speaker, we put out a press release on it. I believe we filed a statement in this House. I would think the thing reasonably speaks for itself; the differentiations are there.

I guess what we could repeat is that it is extremely difficult to come up with any program of categorizing people or whatever without leaving someone out; that is, there will be people on either side of the boundary line. I guess whenever you do that, you're going to have some complaints from those who are not going to qualify for the higher award. In this particular case we've decided that the gold medallion would go to those people who were not only 75 years of age or more, which is a recognition of the 75th Anniversary, but were also born in this province. This seemed to this side of the House — both sides of the House, I suppose, but to the government side anyway — to be a reasonable and, I think, a good way to recognize that signal event, not only the age of 75 years or more but the fact they were born here.

Then we come to a second category: silver medallions. I guess this is what the hon. member is adverting to. Again, anyone who is 75 years of age or more, is a Canadian citizen, and has been here three years will qualify for a silver medallion. Again, I guess we could

have gone four years, two years, no years, or 50 years, but the consensus or the judgment of this side was that three years was an appropriate cutoff.

I think the vast majority of our pioneers — the people who have done so much to make this province what it is today, to establish the opportunities we have — are pleased that there is going to be a medallion program, both gold and silver. There are a few negative letters and positions that the hon. member is adverting to, but there are many, many positive responses as well; the vast majority are positive.

If I could just go on, Mr. Speaker, we also wanted to recognize a third category of people, and that is the rest of our pioneer citizens who are over 65. They will each receive a scroll which I think they will be proud and honored to receive. They will be able to hang it in their dens in their homes, wherever they're living, and look on it as a recognition by the government of the high esteem in which we hold all our senior citizens 65 years of age and over.

I think the whole package is an extremely good one. I regret that there are a few who are apparently not in harmony with the program, including the opposition members. But I think by and large the people of Alberta are.

DR. BUCK: It's so typical of the government; if you ask anything you're on . . .

SOME HON. MEMBERS: Question.

DR. BUCK: My question to the minister is: can the minister indicate to the people of Alberta the differentiation between a person who has lived here 65 years of his life and receives a scroll, and a person who has been here three years but is over 75 years of age and receives a medallion? Can the minister indicate what went on in caucus when they came to that brilliant conclusion?

MR. McCRAE: I'd just respond, perhaps not in kind, Mr. Speaker. I think the recipients of the scroll or the silver or gold medallion are looking not at its monetary value, which the hon. member seems to be so much concerned with . . .

DR. BUCK: Aw, Stu . . .

MR. McCRAE: He talks disparagingly of the scroll . . .

DR. BUCK: Mr. Speaker, I am just sick and tired of listening to his innuendo. [interjections]

MR. DEPUTY SPEAKER: Order please. Order please.

MR. McCRAE: The recipients will be honored to have them because of the intrinsic value . . .

DR. BUCK: Oh, sit down, Stu. [interjections]

MR. McCRAE: . . . the good feeling for Alberta, and not for the question of how many dollars, how many cents. [interjections]

MR. DEPUTY SPEAKER: The time for the question period has expired. The Leader of the Opposition has indicated he would like to ask one further question. Would he have the consent of the House to do this?

SOME HON. MEMBERS: Agreed.

MR. R. CLARK: Mr. Speaker, there are some noes over here; I'll hold the question until tomorrow. [interjections]

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

111. Mr. R. Clark moved that an order of the Assembly do issue for a return showing a list of all capital projects under the control of the Minister of Housing and Public Works which were completed or current during the 1979-80 fiscal year and which have overrun, or are now expected to overrun, the budget by \$500,000 or more, identifying the project, the original budget amount, the amount of the overrun, and the reason for the overrun.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

207. Moved by Mr. Batiuk:

Be it resolved that the Legislative Assembly urge the government to offer more incentives to beginning farmers by establishing new or enhancing existing programs in order to offset some of the high costs of entering farming.

MR. BATIUK: Mr. Speaker, it's a real pleasure to introduce Motion 207. I think this motion is timely, and would be at any time, realizing that agriculture is still the basic industry in our province.

I was very happy to see that within a few days after my motion came on the Order Paper, the Minister of Agriculture made a ministerial statement bringing in a new program for beginning farmers. I don't know whether it was such fast action because of the motion; nevertheless, I think the context of my motion will have to change somewhat. However, it's a real challenge for us. The new program that the minister announced has become very popular. Looking over the records, there has already been a backlog of applications, requests for information, and so forth. So I trust there will be quite an interest in it.

We have to realize that we in Alberta and Canada will have to produce more agricultural products. We cannot look at self-sufficiency just for Alberta or this country; we will have to supply food for the demands and requests of a hungry world. I recall, whether it was only 20 or 25 years ago, statements were made on many occasions that two-thirds of the people of this world go to bed hungry every night. So in a case like this, with an increase in population as it is, much more food will have to be produced.

I think we will need a lot of younger people to take the place of our elderly people on the farms. When one realizes that the average age of the farmer in Canada is 56, we have to think to ourselves that there are farmers who may be 46, 36, and 26. At the same time, there are people 66, 76, and older who are still managing farms. Through a hard life like that, how long can we expect people to work at such ages? Nevertheless, I think in Alberta it is somewhat more advantageous for us, because the average age of farmers is 47. But here again, I'm not satisfied that 47 is a good enough age. I would like to

see it reach probably 37. If it reaches that in Alberta, we would want it to reach that right across Canada.

Even so, we have to provide incentives. In this province there are numerous incentives for young farmers that maybe we're not aware of. Maybe one would think that the portfolio of Housing and Public Works has nothing to do with agriculture. But in a rural constituency, I find that it plays a very important role. Senior citizens' lodges, and still more the self-contained units in the constituency, are occupied 90 per cent by people who have come from farms. If it wasn't for such accommodation, these people would have to sell their land to be able to spend \$60,000, \$70,000, and \$100,000 for a home. But because of provisions for such accommodations, these people are able to leave their farms for their children and get into subsidized housing which guarantees them a maximum of their income.

What about the Rural Electrification Associations in this province? I appreciate that this came on 30-some years ago, but because of the high cost of installation of electricity to the farm, many would not have been or would not want to stay on the farm because the livelihood would not be comparable to that of their city brothers. So here again is another program where I think our government has gone well, that anyone applying for electricity on the farm will be protected or shielded to the maximum of \$2,500.

What about the rural gas co-ops? No place on the North American continent is there a program such as Alberta's rural gas co-ops. A matter of only seven years ago, this government saw the need to provide 80,000 rural Alberta families with clean fuel at a reasonable cost.

Another area that I think has gone far is irrigation. I served on an irrigation committee, and even though it's far away, I really appreciated seeing what irrigation can do for agriculture, particularly in the Lethbridge-Medicine Hat areas. Where there was dryland farming, the requirements were about 40 acres per head. Yet where there was irrigated land, they had 30-some head of cattle on 17 acres. So it shows that irrigation will provide a much greater return, and I'm glad our government has gone into this program.

The roads in this province: the Minister of Transportation announcing over half a billion dollars for transportation costs this coming year is going to enhance the quality of roads throughout. Again, it is the farmers who are going to take good advantage.

What about the agricultural societies in this province? That was a real step forward. Many of our young people in the '60s were leaving the farms. The only reason was that the business places were closing down — whether it was the implement dealers, the grocery stores — and there wasn't any place for recreation. The people felt that if they had to do their shopping, get their recreation and everything else in the bigger cities, they were going to move out and become suitcase farmers. I think the ag. societies have played a very important role. I'm glad our government is supporting and providing operational grants for that.

Along with that are job opportunities. With 38,000 new jobs created last year, this gives an opportunity to work part-time for some of the young farmers who probably find it difficult to pay their costs, debts, and so forth. Even though there have been opportunities, I just think of the days when the young farmers had it difficult. When I think of myself as a boy, the municipalities used to pay 1 cent for a gopher tail, or 5 cents for a pair of crow's or magpie's feet. That was nice to bring in a few cents at a

time when there wasn't a dollar available.

Many times we mention that there are too many surpluses. Why should we encourage young people to go to the farm when we're stocked up with surpluses? No doubt there are surpluses, but food surpluses in Canada today are enough for the world to devour in one week. So how can we talk about surpluses? If anything ever happened to the food we have, regardless whether it's grain, agricultural products, or anything else, they would last the world for only one week.

Incentives must be looked at. I mentioned earlier about the hungry world that has to be fed. When we look back in history, it took very many years for the first billion population. From year 1 — or better still, maybe I should say from day 1 — of the world until the year 1800, it took that many years to reach a population of 1 billion. But the next billion came considerably sooner; it did take a while, but considerably sooner. In 131 years, in 1931, there were 2 billion people. In the following 29 years, in 1960, there were already 3 billion people. In 1975 there were 4 billion people in the world, and it's predicted that by 1987 there will be 5 billion. If two-thirds of the people of the world went to bed hungry 25 years ago, how many will there be in 1987, when the population doubles what it did not too many years ago?

Incentives are nothing new. The government of Canada provided incentives for agriculture 100 years ago. It was the wisdom of the government of Canada that they saw a need to develop western Canada. One of their main issues was to have a railway right across Canada, through the west. No company, no individual or group — not even a fool — would expend so much money to put a railway into no place. So the government of Canada saw that they would have to provide incentives, and they provided incentives. They gave large tracts of land, along with mineral rights, to the Canadian Pacific railway so a railway would be built. This was done, and I think the direction was right. But that wasn't enough. So the government of Canada saw the need, in their wisdom, that there should be more incentives. And they did provide; they offered 160 acres of land, known as the homestead, for \$10 to anybody wishing to start farming. I think this really was an incentive.

It was that incentive that brought my father, as a young boy in his early 20s leaving his home in the Ukraine. He left his parents, his family, and his friends and came to Canada because there was the incentive — for \$10 he could acquire 160 acres of land. He knew it would not always be a bed of roses. He knew he was going to a strange land where the people talked a different language, ate different foods, dressed differently, and worshipped differently. But it was well worth it to him. He was leaving a place where socialism and state control existed; where the family lived on 2 hectares of land and had to produce enough on those hectares so that when the government took its share there would be something left for them to live.

AN HON. MEMBER: Shame.

MR. BATIUK: Many times I wonder when anybody praises the state-controlled system. I think it would be wise to even make a collection to give those people a one-way ticket to go there.

However, I wonder how long this is going to exist. A short while ago the previous government of Canada initiated some programs which would have been beneficial to agriculture. However, seeing the attitudes displayed

recently . . . Mr. Speaker, I think the attitudes displayed very recently by the present government of Canada were far poorer than the attitudes of the government of Canada toward agriculture 100 years ago, particularly when you see that the Prince Rupert terminals may not get support from the federal government.

Mr. Speaker, as I travel the province, regardless if it is Lethbridge, Red Deer, High Level, or my home area, beginning farmers particularly always seem to have a problem with finances. Even though the Minister of Agriculture brought in a good program, I think there are other areas we can look at to increase incentives. One area of concern is the Alberta hail and crop insurance. Any young beginning farmers getting assistance through the Agricultural Development Corporation must insure their crops, and rightfully so. I think it is well worth it, because that is a guarantee that they would at least get a return for their expenses if something happened.

But the problem, Mr. Speaker, is that when they take out this insurance, most of them cannot pay for it at once, so they defer their payments until fall, which every farmer can do. When fall comes, the hail and crop insurance has just as good a caveat on the first quota of grain brought to the elevator, because they get that first quota for their insurance premium. Now there is provision that the farmer who has received assistance under the Agricultural Development Corporation may ask to defer a 50 per cent portion of that delivery. But even if he does that, probably the elevator company will take the other half for moneys that he maybe owes for fertilizer, chemicals, or anything else. So this seems to be a real strain.

Mr. Speaker, I feel that since the Agricultural Development Corporation insists and demands that beginning farmers take out crop insurance, maybe the Agricultural Development Corporation should pick up the premiums for the first 5 years, 3 years, 7 years, whatever it would be. With the number of beginning farmers in the province, I don't think it would be overly costly. I think that would be a good gesture by the Agricultural Development Corporation, to provide premium-free insurance.

Another area I would look at: there may be other quotas where the Alberta government has jurisdiction. I recall a couple of years ago when the federal government reduced the milk and cream quotas across Canada. I think it was reduced about 7 million pounds in Alberta. In a short while, the Minister of Agriculture realized that somehow there was a mistake; some things were overlooked, so he gave about that quota back to the provinces again. In a case like that, I think it would have been wise to provide this extra quota to the beginning farmers. Because a person who is established in the dairy business — when it came to reduce his, if he sold one or two head of cattle he wouldn't be so interested in increasing it again.

What really bothers me, Mr. Speaker, is that just a couple of months ago the Canadian Wheat Board provided a permit to Quaker Oats of Peterborough, Ontario, to import 3.5 million bushels of oats. Knowing the number of farmers in my constituency and no doubt any place in western Canada who have had oats standing for 5, 8, and 10 years — no price, no quota — and the Wheat Board allowed Quaker Oats to import oats from the United States. To me, this is ridiculous. Just to think of it . . . In western Canada, we may feel that 3.5 million bushels is not very much, but if that 3.5 million bushels was given to the beginning farmers as an extra quota, I

think all of them would flourish perfectly under this program.

In our committee, we are looking strongly — we've made representation to the Wheat Board and to the federal minister of our dissatisfaction with such things, that when we have an abundance of grain here they would give quotas to import grain. I know there are markets. Many times we feel there are no markets. There are markets for our grain, for our wheat, but the problem is to transport the grain to the west coast. It seems unfortunate that, when we recently had a Minister of Transport who was dedicated to the agricultural industry, who initiated programs, we see what is happening. However, maybe the credit goes to the colleague of the hon. Member for Spirit River-Fairview in the House of Commons, who brought down the government last December.

Another area where I think our government has done well has come to a standstill, but I hope negotiations will continue after things settle in Iran. When the Premier went to Iran to see why Iran does not make any grain purchases from Canada, he was told that they had never been asked to do that. With 37 million people, Iran could take almost all our surplus wheat. It's unfortunate that this happens the world over. I think it was the same thing when the former Minister of Agriculture went to the Soviet Union to see whether they would buy any grain from Canada. The remarks were that this was the first time they ever saw a minister of agriculture from any province or from Canada. So how are you going to find markets for these commodities?

Another area that seems to have been quite a concern over the last little while is the Crowsnest rates. Mr. Speaker, I know that no farmers would like to pay more, and you can't blame them. But as I mentioned earlier, when people took homesteads as an incentive, they took those homesteads for \$10. Some of those homesteads are being sold today for \$50,000, \$60,000, \$100,000, and even \$1 million, if they're close to an industrial area. It would be just the same if you asked the railway to continue hauling grain at 14 cents per bushel, like they did a hundred years ago. I hoped not to speak too much on this particular area. I hope one of my colleagues, when he is here, will get into the debate. He's a specialist on the Crowsnest rates.

Mr. Speaker, I think the time I have allocated myself has just about come. I think this motion is timely. I hope I have good support for it and that members participate.

Thank you.

MR. DEPUTY SPEAKER: Before we continue with debate on Motion 207, I wonder if the hon. Minister of Municipal Affairs might have permission of the Assembly to revert to introduction of visitors?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS

(reversion)

MR. MOORE: Mr. Speaker, it is a pleasure today to introduce to you, and through you to members of the House, a number of students from the grades 5 and 6 class of Sunset House school in my constituency of Smoky River. They are seated in the members gallery with their teacher Mr. Bob Pool. I would ask that they rise and be recognized by the Assembly.

head: **MOTIONS OTHER THAN
GOVERNMENT MOTIONS**
(continued)

MR. LYSONS: Mr. Speaker, I too would like to join in the debate today on the motion brought forth by the Member for Vegreville. Certainly the province has done a number of things to help the beginning farmer and indeed every farmer in Alberta. There are some other things we could probably take a look at.

I suppose the best thing that has happened in the province is the attitude we as a government have created in the country for farmers and everyone. It's not just directed at farmers of course. There's an attitude now where people want to go back to the land. With that attitude, of course, we have to attempt to bring our young farmers on stream a little easier. It never was easy to start farming. It's a little tougher now than it ever has been, but it's certainly not impossible.

There are some things I would like to discuss with members in the Legislature, and I would like to see some serious looks taken at them. One of the very serious problems we have as we start to farm is knowing, when we do get a crop, whether we can sell it. So if we could work out an arrangement with the Canadian Wheat Board and other people that we'd have a guaranteed grain delivery quota for beginning farmers, say, for five years to get a leg up, plus a guaranteed minimum price on the products they're going to be growing, and have that tied in with our Agricultural Development Corporation loans which are in a way by far the best system we have in Canada, then we could probably expand our whole concept of farming. If you have that break, where you know that whatever you produce can be sold and not hung up in a granary somewhere or tied up . . . I know it certainly would have helped many people I knew when I was in the financial business who were really stuck. They could always sell their cattle and grain, but getting a price for it was another thing. There's always somebody willing to take it.

A few other things we could have a look at: maybe a crash program on community pasture expansion — perhaps for the beginning farmer as well — and eventually this could be expanded. The "vetecare" program is out there, if we could just get it all put together. As the hon. Member for Vegreville mentioned, homestead land was what originally attracted his forefathers here. Certainly my dad and my grandfather came because of the homestead land.

The Member for Vegreville talked about crop insurance where you'd have free premiums. I didn't quite think of it that way. In my notes here I suggested a special disaster fund, where you have a natural disaster, or sometimes it's not so natural. For instance, two or three people I know of have been wiped out by fire, have had cattle losses they couldn't afford by heavy storms in the spring, and many other things which normally aren't coverable by insurance.

We could probably look at other concepts. I would like to suggest that the biggest one is attitude, certainly the attitude of government, provincial and federal. The attitude of the federal government in recent weeks hasn't led us to believe we can be all that optimistic that they're going to attempt to help us too much. But the attitude of the family that is going farming . . . Farming out in my country, where it's mixed farming, is generally a family situation. If we can keep the family happy, satisfied, and working, I believe we can look forward to many, many

more beginning farmers.

We've gone a long way in taxation. With the lowest income tax in Canada, no sales tax, of course no gasoline tax, and the farm fuel subsidy, I don't know how much more we can go. We have the natural gas program, where we shelter the price on that 75 per cent of the increase in cost. I don't think we can go any farther there. Farm fuel allowance: if farm fuel goes up, I would like to see that expanded, not just for the beginning farmer but for everyone. I think our assured delivery is probably the key to the whole thing. If we can't get our grain and produce to market, it doesn't matter what programs we have; they're all going to fail.

I've often wondered what would happen to western agriculture if one of the huge boats that travel up and down the seaway happened to crunch into one of those gates in the canal. That could tie up that seaway. Depending on when it happened — if it happened in the spring, it could tie up that seaway for an entire shipping season. When we consider the amount of grain and produce that goes through that seaway, the backup that would be pressed on us from other commodities, not just what agriculture produces, would be just horrendous and could literally wipe you out, particularly if you're a beginning farmer. I just have to commend the Minister of Economic Development for his relentless pressure on the federal government to get the port of Prince Rupert rolling.

One of the things that's kept young farmers on the farm in my particular area, and is encouraging them to go on the farm, is the decentralization program of this government and its super, direct effect on the young farmer. With modern machinery, technology, and so on, a grain farmer doesn't really have to spend that much time on the land. So with everything that's happening in rural Alberta these days that's really where the action is. People look at Edmonton and Calgary and think things are happening, but things are happening in the country, really happening. A young couple can make anywhere from \$15,000 to \$30,000 a year in off-farm income and still farm, and that has to be a great help. It's something that happens probably more in Alberta than anywhere else in Canada, or maybe even in North America. That, I believe, is a direct result of government initiative in decentralization.

Of course to attract people into the country, we have to have all the facilities, and we should have all the facilities that go along with making people contented. My constituency is really not that big. It's long and narrow, but in total area not that large. We have three hospitals, and they're all going to be new. I don't know how many arenas, skating rinks, and all sorts of recreation facilities we have. It's just tremendous. As a boy growing up on the farm, we'd go out with the mower every summer, gnaw down some hay, fix up the old backstop, and have a few picnics. Nowadays it's not like that. We have some very, very fine recreation facilities, and no question, to me anyway, we have better recreation facilities for our rural and town people than anyone could even consider in larger cities like Edmonton or Calgary. There's just no question. One of the reasons people are leaving these larger urban areas is that we just have so many of these things out there that make city people so envious.

In closing, I would like to just say how very happy so many people are with our rural gas program, and what that has really meant to rural Alberta. My sister farmed for many years, and they had gas wells on their land. They were some of the very first people in Alberta to have natural gas. That was back in the early '40s. The old

gas line finally played out, and they had to replace it. It was going to be too costly to replace the line for the gas that was left in those wells. So they abandoned the wells and had no gas.

Northwestern Utilities was the company involved. They paid the farmers affected a fairly large amount of money so they could convert their furnaces to propane, diesel, coal, or whatever. As well, they added the difference in cost from what they had been paying in natural gas, to what they would pay in propane for three years. Now my memory tells me that this was around \$4,500 per farmer. That was a tremendous amount of money. The cost of the conversion wasn't going to be that high, but that was the difference in cost from what they had been paying on natural gas to what they would pay on propane. Because they had had it so long, they were heavy users of natural gas. And the longer we have these things — it's like electricity. When the first farmers started putting in their power, they had a few light bulbs here and there, and maybe a pump on the well. Now they're putting in bigger transformers and using more and more power. The same will apply to natural gas. Just recently the county of Vermilion River decided to put in a county natural gas system. My relatives now are waiting anxiously, anticipating this wonderful fuel that in all the years my sister used it on the farm was off twice, I think, in cold weather and only for a brief period of time. Once it was off when my brother hooked a gas line with a cultivator, but that was their own fault, I guess.

Mr. Speaker, I would like to finish with that, and again thank the Member for Vegreville for bringing such a very, very important motion to the floor of the Assembly.

MR. STEWART: Mr. Speaker, I welcome this opportunity to discuss agriculture in rural Alberta, and thank the Member for Vegreville for bringing this motion forward. I think rural representatives seek an opportunity once in a while to express their point of view on where agriculture fits into the total economy of this province. Many of the urban members sitting here this afternoon also had their beginnings in rural Alberta, have taken advantage of the good things in life that come with urbanization, and are making their contribution in a way other than farming.

What we're really concerning ourselves with this afternoon, I think, is the transition from one generation to another of the farming occupation as we see it in Alberta. We have to recognize that since the beginning, when the first people came into this province and became involved in agriculture, there's been a tremendous change. Agriculture is as varied as this province is, when it comes to opportunities and different soil classifications. We go from our very dry land in the south, of irrigation, to the northern part of this province where a great number of acres of land is still untouched that eventually can be brought into agricultural production when the time arises. The opportunity for people to phase into almost any part of agriculture is still a possibility.

But when I think of the future of farming, I think of changes taking place so quickly that unless you're involved in it on a day-to-day basis you soon become out of touch. No one realizes that any more than I do. I've been out of it for about five years, and when I hear of the cost of production of agriculture and grain farming today, I'm so completely out of touch with the cost of different products and the technology being used that I have to admit that frankly I'm not much different from my city brothers when it comes to realizing just how complicated

and technical a good farming operation has become. Growing up in the livestock industry, I've kept a little closer touch with it than the grain industry, but I've got to recognize that through technical changes the production capacity of our land has been steadily increased. The manpower required to produce a given amount of grain in Alberta has changed dramatically in the span of time I've been involved in it.

I particularly remember when I started farming on my own, taking over what had originally been five farms to make what was considered an economical farming unit at that time. The transition since I became involved in agriculture has been tremendous, to the point where specialization and large farming operations are now very commonplace in the biggest percentage of our agricultural land in this province. I think we have to recognize that along with that, inflation has forced the price of agricultural land to the situation that we're going to have to cope with the fact that unless a family farm is transferred from father to son, the ability to start out with nothing but credit and eventually own a viable farming operation is going to be limited to very specialized portions of this province that are yet undeveloped and do not adapt themselves to large farming. The investment of capital in large farming operations has today become beyond the ability of the land to produce the type of return necessary to pay for it.

I don't think we need to feel unique about this. We're probably 60 or 70 years behind the central States in the same situation. I remember, as a boy 15 to 20 years old when I first became knowledgeable about what agriculture and the dollar costs were all about, hearing people talk about cornland farms in Iowa trading for \$6 to \$100 to \$1,000 an acre at that point in time. Putting it in today's values, I guess you'd be talking a couple of thousand dollars an acre. So when we're looking at farmland in Alberta that's trading today for almost double what its capabilities are from an agricultural point of view, we've got to realize that history is catching up to us. While we're still a very young province and still have some land in the northern part that's available and still under the control of the Crown, a large majority of this farmland is being priced out of the category where people can buy it and successfully pay for it in a reasonable length of time, and build a farming operation around that viewpoint.

I have travelled to other parts of this country where this type of farming has been going on for generations. I think we have to recognize the fact that to actually have title to all the land you farm is not necessarily a very vital part of a good farming operation. It's an attitude we have to recognize that historically a lot of the people who came and settled this province felt the ownership of land was a very vital thing. A lot of them came from European countries where ownership of land had ceased to be the right of only very few selected people. To those coming and homesteading, being able to own their land was a very important part of the reason they came to this country. But today, with inflation of land values the way it is, tenant farming is not exactly beyond the realm of being a good operation. I've seen it functioning in other areas where it's probably been two generations since the actual farmer owned that particular land. Yet it was in good production, well farmed, and the people were making their investment in the equipment to do the work rather than in the land. I think we're fast growing in this province to that same state of affairs.

Another thing I think we have to recognize is that

agriculture in its total has so many different opportunities available to people who actually want to get involved in it, and is as varied. Some of it does not require a large quantity of land to have a successful operation. You can be your own boss and specialize in some form of agriculture one is capable of getting involved in without the high capital input necessary for a grain farming operation or things of that nature.

We've still got land in this province under the control of the Crown that is available for people who are prepared to go into the livestock industry. Where we have adequate rainfall, that makes a cow-calf economy still a very practical solution to get into. I think that if the young farmers who want the opportunity to be their own masters are willing to go out into the northern and western parts of this province, there are still opportunities to possibly rough it a little bit for a few years, but eventually have an operation they can call their own and produce a product that's totally got a market in this province. With the boxed beef industry and several other innovations that are coming in, I think we're going to recognize the fact that we may be able to go on the world market with our produce and eventually expand our production in the meat and poultry end to the point that there are markets available for people prepared to specialize.

I think we're missing an opportunity in not being self-sufficient in our vegetables and things of that nature. The greenhouse industry in this province has struggled and, in many instances, failed, but there's still opportunity. We're importing far too great a share of the things we're buying in our supermarkets that could be produced right here in Alberta with the excess heat dispelled from many of our industrial plants. The natural gas pipelines in this province have pumping stations that are dispelling a tremendous amount of heat that can be utilized in the greenhouse operation. It's a proven fact that's been tested. It's a matter of people being willing to adapt themselves to that type of enterprise in order to make it successful. I think there are many opportunities available to people who truly want to be in agriculture.

I think the Crown land in this province is still a wealth that few people realize the potential of. With good management we can see a lot of this land brought on-stream as is necessary. With beginning farmers and farmers prepared to start not at the top of the ladder but from a modest beginning and work toward what most of their fathers have achieved, it's still a possibility. But you must recognize that we have well-developed farms that have priced themselves far beyond their agricultural value and are held as a long-term investment by people who are not interested in farming them *per se* but in holding them as a monetary insurance that has been recognized throughout the world as being safer than investments in some things that show a quicker return. We will have a very varied agricultural economy in this province where people will have the opportunity, if they have the will power, to specialize and produce something in an agricultural way that is unique.

We're blessed in most of this province with enough rainfall that irrigation is not a necessity. But we also have a very large portion of the southern part of this province where, given the water, the initiative of the people in the area can bring desert to high production. People have to go only a little farther south on this continent to find out what a desert really looks like, and southern Alberta looks like a pretty nice place to come back to. Considering how dry it is, it still doesn't pretend to be the desert we

find in areas farther south that truly suffer from complete lack of moisture and from high temperatures, to the point that they are cactus country. We have very little of that in Alberta. So there's the potential in southern Alberta for expansion of that type of agriculture. I think we've only begun to see what can potentially be done there.

In the livestock field, which happens to be my specialty, Alberta probably rates higher than anywhere in the world as the seed stock for practically every breed of cattle from the dairy breeds to our traditional beef breeds to exotic cattle. Through our artificial insemination program, some of the best seed stock in the world have been brought here and multiplied, and are now being transported to Asia and many parts of the world to give those countries the opportunity to become self-sufficient, in their own way, in meat production. Most of the Asiatic countries, of course, do not have the ability to enjoy the amount of red meat that we take as normal in this province. But certainly we have people who have had the initiative to bring in top seed stock from all parts of the world and multiply them here. Without a doubt, I think we're one of the main seed stock sources for most popular breeds of cattle throughout the world.

Another thing that has been very successful in this province is the production of grass and legume seeds in the Peace River area. They have been exported to almost all parts of Canada and into the northern United States because of the viability and the quality of the seed produced there. It's a specialized crop that is unique to the soil and weather conditions of that area, but it's been a very important source of income for farmers who have taken the opportunity to understand and produce this product.

Mr. Speaker, I think the future of agriculture is so varied and has so many possibilities that the people involved in industry today, other than agriculture, will recognize the fact that any time they want to make the transition, if they have some of the expertise or are willing to take a little retraining, there is an opportunity in agriculture. The thing agriculture has to cope with — I think it's our biggest stumbling block today — is that we're sitting on one of the most highly productive oil fields in Canada, and the competition on the wage scale makes it very difficult for agriculture to compete in hiring help to accomplish what has to be done in a farming operation.

It's pretty difficult to compete against an industry that can pass on its costs. Agriculture is in the unfortunate position of having to find and sell its product on the world market at the world price. We've also had a federal policy of cheap food in this country that makes it very difficult from an agricultural point of view to pass on actual costs to the consumer. I think this is something that will have to change, because as far as I'm concerned, we've protected the manufacturing industries in the east and expected agriculture to be able to compete and work on a system where it's working on a fixed market. Consequently, while agriculture has become more efficient, eventually there comes a point in time when you cannot efficiently produce any cheaper than you have in the past. I think we've reached this plateau on a lot of our larger farms.

[Mr. Purdy in the Chair]

As our cost of production goes up, if we do not find a comparable rise in the price of the commodity, agriculture is going to suffer and decline. I hope world needs for

food will gain pace to the degree that we do not see agriculture, as it's presently being handled today, suffer as a result of low world markets. I hope our specialization, where we have the opportunity to market in our own country, will be recognized and taken advantage of before the trend to total industrialization in some other form encourages our population to back away from agriculture, and we find ourselves as much of Ontario is today. In my travels there, I was very disappointed to find farms that are practically abandoned. People are using them as summer residences rather than as an agricultural pursuit. A lot of Ontario has suffered this type of degeneration. Where families were making a living off the farm 20 and 30 years ago, they have now become the homes of people working in industry.

I'm sorry to say that I think this same thing can happen in Alberta. If you have a highly industrialized province where the wage scales are higher than the return that can be achieved through agriculture, inevitably people are going to take this route.

So with our many programs to encourage people to continue farming, I think we also have to recognize the fact that there has to be a fair return for the person involved, that will encourage him to take the initiative to be an agriculturist. There used to be a tradition that being a country boy and a farmer was not necessarily the most enjoyable way of life. There was a lot of hard work involved in it in the earlier days. But with mechanization and agriculture as it is today, it's probably as good and clean an industry to work in as any we have in our urban areas.

So I think the opportunity to discuss agriculture, to encourage it, is something that every rural M.L.A. should take advantage of. We've got the potential in this province, and we've got the opportunity to make agriculture continue to be one of our chief and main sources of industry.

With that, Mr. Speaker, I will thank you for the time and opportunity I've had to discuss this motion.

MR. L. CLARK: Mr. Speaker, it gives me a great deal of pleasure to rise today and speak on Motion 207. I'd like to read the motion; maybe it got kind of lost in the shuffle along the way:

Be it resolved that the Legislative Assembly urge the government to offer more incentives to beginning farmers by establishing new or enhancing existing programs in order to offset some of the high costs of entering farming.

Today we all know that it costs a lot of money to start farming, and although I fully agree with the concept of this motion by the hon. Member for Vegreville — and I'd like to thank him for putting it in — I can't help but think that we're debating a motion that is really after the fact because of the statement the Minister of Agriculture made in the House on, I believe, March 26. I certainly support this motion, as I'm sure everybody in the House does. If you look at the ministerial statement by the Minister of Agriculture, he states that the withdrawal of last-resort financing from the beginning farmer loan at an interest rate of 5 per cent for the first six years . . . Those two items alone are very significant. But added to that we have the direct loan program with a preferred interest rate of 12 per cent, with an annual rebate of 3 per cent for the first five-year period, which allows a 9 per cent interest rate for the first five years. On top of that we also have the direct farm package, with a preferred interest rate of 12 per cent. I believe these are very significant,

Mr. Speaker.

I believe also, Mr. Speaker, that this shows that this government is aware of the concerns in the agricultural industry in this province, and that the minister has already taken many of the steps this motion is asking for. This doesn't surprise me, because it certainly means that this government continues to show imagination and leadership in its programs.

One of the reasons I support this motion so wholeheartedly is that motions of this sort guarantee that this government will continue to have that feel for the concerns of Albertans in all walks of life and continue to show that leadership and imagination that is so important for good government.

Having said all those nice things, Mr. Speaker, I would like to say that I am truly concerned about the rising costs felt by farmers in this province. Farmers today are not only caught in a cost squeeze of high input prices and low markets; they're also subject to problems of gigantic proportions in our grain handling system. As a result, there is a lowering of sales and the loss of markets. The old-timers in our area used to say that it took three things to make a crop a good year: high markets, good prices, and good weather. It seems we've lost control of the first two. The good weather is something we've always had to kind of guess at. You always have your good years in farming. I think anybody who has been farming any length of time knows that there are good years and bad years, the same as in any other business, except for a couple of important facts. They are: one, you cannot lessen the impact of the bad years by adjusting the price of your commodity; and two, you cannot lessen the impact by selling more or less product due to the quota system. If you do not take advantage of selling when there is a quota, the sale is lost for good. If you don't sell the product when the quota is available, you've lost the quota and consequently the sale. When farmers get hit with a bad year, they usually take it in stride and look down the road to next year. That's why we call it a next-year country.

Mr. Speaker, the markets do change. If products are dependent on world, North American, and Canadian markets, if prices are based on the market, they will, by the natural way of the market, begin to rise as production slows down and fall as production rises. This has happened for many years. You end up with the traditional fluctuations, or ups and downs, in the market place.

Mr. Speaker, let's look at what has happened on farms in the last few years and see if the farm prices are based on North American markets and are being influenced in that market today. Let's take a look at an area that's been in the news lately, the hog industry. I believe any young farmer going into the hog industry in Alberta today would have to be an optimist. Why doesn't the future look good for the hog industry in Alberta, and why are they worried that the market now is different than it has been over the years when the real hog producers lived with the ups and downs in the market and learned to accept them as a way of their business? What has happened is really quite simple. That is that we are the only province in Canada that is not paying a subsidy in the hog industry. What will happen, and in fact is now happening, is that the people who drop out of the hog industry will be the Alberta producers, because for all other producers it is still a viable operation due to the generous subsidies of the provinces in which they live. In effect, Mr. Speaker, our producers in Alberta are not competing with the producers across Canada, but are

actually competing with the provincial treasurers of those other provinces. If this is allowed to continue, the net effect will be a decline of the hog industry in Alberta.

I don't want to leave the impression, Mr. Speaker, that the hog industry is the only area of agriculture that has concerns, because this is not so. Let's look at the grain industry in the province. Alberta took the lead in trying to improve the grain handling system on the prairies and has made very significant contributions and commitments to the port of Prince Rupert, the inland terminals, hopper cars. With Dr. Horner as co-ordinator of transportation, I believe the Alberta grain farmer began to have hope that at last there were going to be some major changes in the transportation of western grain. Why then are the grain farmers now concerned? It's very simple. They can now see that some of the partners in this agreement are renegeing on their commitments. The federal government is now re-assessing its position, and it would come as no surprise to anybody in the industry if they backed out completely.

Like all businessmen in Alberta, the farmers are also concerned with the high interest rates which add to their already high input costs. Although this province has done what it could to cushion the effect of the high interest rates through the program for young farmers and other ADC programs and through the treasury branch, due to the fact that the problems are national in scope, it is very difficult for one province to have any real impact.

We have in Alberta, Mr. Speaker, some of the most efficient farmers in Canada, if not the most efficient. I believe they could stand high interest rates if that were the only thing they had to contend with. I believe they could even stand poor markets for a limited time. I believe they could even stand tight quotas if there was any hope of future change in our transportation of grain. Well, what they cannot stand, Mr. Speaker, is all these combined at once, with no hope down the road for any change in the market, the price, the quota, or transportation.

The Canadian Wheat Board, in setting quotas based on acreage alone, has been detrimental to Alberta producers. Loss of markets due to an outdated transportation system, the federal government seems very reluctant to change.

What do our farmers want? I'll tell you what I believe they want, Mr. Speaker. They want this government to continue to take the lead in agricultural programs. They want the government to take a tougher stand on the quota system, which is based on acreages alone and seems to favor the Saskatchewan producer rather than the Alberta producer. They would like to see some grains out of the quota system and on the open market. They would also like to see this government take a very firm stand on transportation of grains, be it feed grains to the east or other grains. They would like to see programs that will put our producers in Alberta on an equal footing with other provinces in Canada.

What our farmers are asking for, no matter what area they are in, is a fair and equal chance to compete for Canadian and international markets on an equal basis between provinces. They want a transportation system capable of getting their produce to market and to a year-round, ice-free port. What the farmers of Alberta want from this government is a leadership role in the area of agriculture similar to the role they are taking in energy. They would like to see agriculture programs designed for Alberta, with Alberta having some control over its future in agriculture, the same as we want to have control over

our other natural resources. They want this government to take a very firm but fair stand in regard to renewable natural resources in agriculture, which is still the basic industry of this province.

Mr. Speaker, I urge every member to support this motion. Thank you very much.

MR. HYLAND: Mr. Speaker, as I rise to participate in Motion 207, I too would like to congratulate the Member for Vegreville for bringing this motion forward. It is appropriate that shortly after this motion was put on the Order Paper, the Minister of Agriculture read a statement in this House relating to the beginner farmer program, a new program to encourage beginning farmers to start farming in Alberta. Mr. Speaker, we can indicate, put out loans, and do a number of other things to start beginning farmers out, but it really doesn't do a lot of good if we still don't have movement and a market for our products.

Other members have talked about the problems with quotas and the stopping of cash flow. For example, a table in a magazine put out by the industry shows where a particular farm, following the quota system, carried over 62.37 per cent of its product. Moving it through an open market, selling a lot of it on open market, he got his carry-over cut down to 5.2 per cent. Now, Mr. Speaker, I submit that any company or industry that had to hold 62 per cent of its product over a crop year would indeed be in dire financial straits. That just shows the problem involved in farming with the slow movement of grain to market or to terminals.

Mr. Speaker, that problem isn't just in the marketing of grain; it's also in the transportation of the grain. When the former federal government and former minister took great steps toward improving our transportation system, we thought we were going to see some drastic changes. I sincerely hope the present administration in Ottawa does not reorganize back to the old way, the Wheat Board controlling the allocation of cars and the movement of grain, as well as looking for markets for it.

They should go ahead and do their job of looking for markets and do it well, instead of trying to do two jobs. They should also leave the system the way it is. We hear rumors about putting all grains under Wheat Board control and not having any non-board grains. The example I just used — the difference in the percentage of carry-over — drastically shows the need for a farmer to be able to move his grain or product in alternate ways so he doesn't get hit with a carry-over that is greater than half of his production.

Mr. Speaker, this is happening in the irrigation area I represent, especially with soft white wheat, a product grown under irrigation. It's a different kind of wheat used for different kinds of flour, and the quotas have not been able to move it very fast. Yearly, quite a few bushels of this wheat are left on the producer's farm.

One time I phoned the chairman of the Wheat Board and talked to him about soft white wheat, and the discussion got around to having a market for it. He said they didn't have a market for it, and I suggested they look for one. He suggested it's hard to look for a market unless you have volume. But without any contracts or movement of it, it's pretty hard to build up a volume. You can build up a volume in your bins for one year, but if you haven't a place to sell it, the banker or ADC or whoever else you borrowed the money from comes knocking on your door. Your suppliers want money for their seed and fertilizer. You can't afford to grow something you can't move.

This year the Wheat Board put out a contract for soft white wheat themselves. They set a date: all applications postmarked after April 13 would be accepted, and those postmarked before the 13th would not. I believe the final date for applications to be received was April 30. Mr. Speaker, the interesting part about this, as I understand, is that on the 15th, just two days after the applications were to start arriving, they had to cut them off because they had so many. They let out about 500 contracts of 40 acres each, and had at least that many left in a barrel they drew from, and that in only two days. I'm not sure how many they would have gotten if they would have waited till the deadline for the applications and drew them, but I suggest there would probably have been six or seven times the number that were accepted.

[Mr. Appleby in the Chair]

Again, Mr. Speaker, that proves it is a product that can be grown in a specific area, it does not compete with any other product, and there is an interest in growing it. So there should be an interest in finding a market for it. If that market were found, the cash flow would be greatly improved in an area that needs a high cash flow to operate a farm and see that it's viable, because your input costs are extremely high. If under our new program we lend money to start a farm, even in this area — as I've said before, you grow a product and can't move it. Even on a low interest rate, you still have to make your payments, and you're still in trouble because you don't have any cash flow to make those payments with.

Mr. Speaker, coming from a different area of the province and being on the irrigation caucus committee previously, the member who moved the motion spoke about irrigation and his feeling on it and the difference in productivity he could see from the dry land to the irrigation. Another way we are helping beginning and established farmers is by upgrading the irrigation systems. I think we're running about \$11 million from the heritage trust fund and some additional money from the Department of Agriculture, spread amongst all the districts to upgrade their systems, and also are waiting for impending decisions related to the management of water on the Oldman system. Various reports suggested spending enormous sums of money for irrigation through the southern part of the province; a very costly commitment in the upgrading and expansion of irrigation systems, if it's followed through as presented in the two reports on the Oldman River basin.

Another thing, Mr. Speaker, making it hard for a beginning farmer to compete is the high cost of land. In our area, people are paying enormous sums of money for land. It makes it hard for ADC even to lend money to compete with that, because it's far above the productivity value. People are getting money, wherever it may be from, and putting it into land, and very often the price doesn't seem to make too much difference. Land is changing hands for far in excess of \$1,000 an acre. Even under heavy irrigation, land changing hands at \$1,000 an acre plus, by the time you pay for irrigation equipment and your input costs, your profit margin is going to be quite slim. So it makes it very hard for beginning farmers to compete and obtain enough money to pay these prices, and have to pay this money back on interest charges.

Mr. Speaker, I've heard other members talk about the marketing and movement of grain. I'd like to make a few comments about the proposed terminal at Prince Rupert and the apparent unwillingness of the federal government

to carry out the commitment arrived at with the previous government. One boat running into one bridge in Vancouver and virtually shutting down the whole system should show a great many people the weakness of our present system. They make some arrangements to move the grain from one terminal to another so they can still load boats, and somebody objects. I understand they started loading the train cars on barges, and the price wasn't too bad until they found out there was a situation that they couldn't move the grain any other way. All of a sudden somebody needed more money, so up went the costs. Who pays for all these costs involved? Well, they go back to the farmer, the producer. The farmer pays the \$20 million in demurrage charges from a previous year. That comes off the bushels. It just shows the weakness of the system when we're that dependent on one outlet for our product.

As my seatmate from Calgary Buffalo said in one of his speeches, the score of 113 million tons of grain moved through U.S. ports and 13.5 million moved through Canadian ports is not very happy indeed. Every little thing that happens off-balances that score. As the Member for Drumheller said previously, when you lose a market because you cannot supply the grain to it, it takes many years to get it back, if you ever do get it back.

A number of years ago, when I was still going to school, I remember reading about building the St. Lawrence Seaway. As I understand it, the seaway was built because industries in Ontario and on the U.S. side needed raw material, iron ore or whatever else, so their industries could produce at a cheaper rate, instead of hauling the material by rail. So the two countries get together and build a seaway. That's fine. They get it built. In about 1959 they get it opened and start operating it. Fees may be charged for the operation, but they come very short of the total cost of operating the seaway. That doesn't matter, Mr. Speaker, because the federal government pays it. No argument. But we propose to build a terminal at Prince Rupert through a consortium, and what do they do? They say the user has to pay. They want a reasonable return on their investment.

Mr. Speaker, it seems awfully unfair that one part of the country should have a concept where the user doesn't have to pay the total cost of a structure that's operated and one part of the country does. That puts us in the west at an extreme disadvantage in the movement of our major renewable resource, that of agriculture, to say nothing of the possibilities of a coal terminal or coal loading dock at the Rupert terminal as well.

Mr. Speaker, I've spent the majority of my time talking about the marketing of agriculture products and not as much about the programs for beginning farmers, but other members have covered that area quite well. My strong feeling is that no matter what we do to assist beginning farmers and even established farmers, we also have to continue the efforts the minister and the previous Minister of Economic Development have made toward upgrading the transportation system and toward the federal government doing something with the transportation system to improve grain movement. We have heard a lot of discussion throughout the province on Crowsnest rates, and that the rail lines need more money for movement of grain. A lot of farmers will agree to pay more if there is a guarantee they're actually going to move more of their product.

In front of me I have an article from a grain company publication of a farmer who trucked flax some 900 miles to the Thunder Bay terminal and back. He claimed that

he made money doing it because he moved his product. The thought comes back again, where you have to have your cash flow no matter what your assistance is toward setting up.

Mr. Speaker, I would urge members to support this motion and to put the greatest pressure they can on the federal government and federal MPs to keep pressure on the present administration to continue the steps we've started in upgrading the system of grain movement so we can sell the product we raise, maintain our cash flow, and be able to assist those who wish to start farming so they are able to make their payments and make a reasonable living as well.

Thank you, Mr. Speaker.

MR. STROMBERG: Mr. Speaker, each year quite a number of Saskatchewan farmers have pulled up stakes and come to my constituency during winter and spring and purchased farms. I've had the opportunity to meet and discuss with some of them. Some are my neighbors. I've always wondered why someone would want to leave that beautiful province of Saskatchewan and come to Alberta, especially the younger Saskatchewan farmer. I was surprised that in the majority of instances these young farmers indicated that because of the political climate in Saskatchewan their ideas were being stifled when they tried to move ahead.

One very good description was by a member of the Palliser Wheat Growers in southern Saskatchewan, an organization that was instrumental in the federal government changing the buying system so we can now sell wheat on a protein basis, instrumental in getting the malting barley into a malting barley pool, instrumental in using and financing the first unit train to Vancouver to prove it could work, and instrumental in starting the [Weyburn] inland terminal. Each time an idea came from that province by a farm organization or farm individuals, they were bucking the government and, in a sense, the Saskatchewan Pool.

Mr. Speaker, I had that driven home to me quite forcefully about a month ago when we met with some members of the Palliser Wheat Growers from Saskatchewan and Manitoba. They indicated: Alberta you're a leader to our agriculture industries in our two provinces and in many other areas we depend on for our livelihood. That was rather interesting.

You know, there's nothing like seeing. Last summer my wife, my family, and I had the opportunity to travel into that last bastion of socialism in North America. It was quite an experience coming off Highway 13, a 36-foot top pavement. Right at the border the pavement narrows down just like that. I practically stopped the car and asked if Ardell had a shoehorn I could use to get my car on that narrow strip of pavement. That was quite a road.

DR. BUCK: Your car was too big, Gordon.

MR. STROMBERG: I should have used a horse and buggy, because that was the condition of that road.

But, Mr. Speaker, I was really amazed as we were going through rural Saskatchewan that we didn't see the paved roads going into the villages and towns that we have. You didn't see the secondary highways that we have throughout Alberta to move our market goods. My goodness, when that country rains, that country stops. I still have dried Saskatchewan gumbo falling off my car. Boy, that gumbo will ball up on the tires of the car. They

even tell me it would stop a buggy. That's how bad gumbo is.

AN HON. MEMBER: Is that what's falling off?

MR. STROMBERG: But in discussions with the Saskatchewan farmers I was really amazed when I said, where are your seed-cleaning plants? The reply was: we hear there are three or four in Saskatchewan, but we've never had any in this county and never expect to get any. How many seed-cleaning plants do you have in Alberta? I had to tell him I suspect well over 100.

Mr. Speaker, I suppose the proof of the pudding is to compare our estimates of what we're spending on agriculture this year with the estimates currently passed in the Saskatchewan Legislature. The list of programs we have and take for granted goes on and on. There are 50 programs we have implemented in this province that they haven't even heard of in Saskatchewan.

Mr. Speaker, I still have to tell you why these young farmers are coming here. They're coming and getting ADC beginning farm loans. That's great. They're good farmers. But they explained their system to me. Under the Saskatchewan farm start program and this so-called land bank, which they sometimes refer to as the Cuban land bank — you know, where the government or the state owns it all — they have what they call a direct descendant transfer where the father can sell to the government, the government takes title of that land, and the kids can rent it. That's a kind of funny set-up: where the kids can rent it. They don't have the opportunity to buy it. Or when the Saskatchewan farmer has had that dry year or the difficulties of bad weather, he can sell his farm to the state and then turn around and lease it. I've never seen so many sharecroppers in all my life as over in that eastern province. But he now has the option when leasing that he can buy back from the government. If he buys back from the government — and with land prices going up as they've been — he does not have the opportunity to sell his whole farm to anyone he wishes. He can only sell off a quarter at a time. Well, that has been a gold mine for foreign investment in that province, because Saskatchewan has a quarter limitation for foreign investment. In other words, the investor from Germany can only buy one quarter of land. But what the German family does — I'm using that country as an example — is: four brothers can buy four quarters from one farm and have quite a sizable set-up. But the real rub comes in where the sharecroppers, who in a sense are renting their own land which they've sold to the government, are now finding it very difficult to buy back because of the high prices of land. They've just gone through the ceiling there, and they're not in a position to buy back. Mr. Speaker, can you imagine the problem for that young farmer in Saskatchewan down the road when it comes time for him to retire? He's been renting his land from the government for 20 years. He's been giving a share of his profit to the government. He has nothing left to retire on. All he's got is used machinery. He hasn't got his land to sell and deposit in a bank. I rather thought after I came out of Saskatchewan that I, and hopefully my children, was pretty darn lucky to be farming in Alberta.

Mr. Speaker, there is one program that is never mentioned — it goes through the estimates of agriculture very fast — that is a tremendous program. I think it's the best one in Canada. All provinces have it. I'm speaking now of the Alberta Hail and Crop Insurance Corporation. This was implemented as an agreement between the prov-

inces and the federal government to cover the cost input of putting in your crop and perhaps taking it off if you lose it. The federal government contributes half the premiums; the province of Alberta contributes 100 per cent of the administration and salaries. Mr. Speaker, I have the privilege this year of being on this board. I must commend the board — a tremendous group of directors. Last year the minister from Lloyminster served as a director of this board.

I'd like to take you back a little in the history. When we formed the government of this province, one of the largest criticisms we heard in rural Alberta was this Alberta Hail and Crop Insurance Corporation. They weren't doing the job; they weren't getting the service. Why can't we get this? Why can't we do that? The Minister of Agriculture at that time, Dr. Horner, and the Premier set up a select committee of the Legislature to review all aspects of hail and crop insurance in this province. A number of the members of this Legislature sitting here this afternoon were on that committee. We didn't overhaul; we held a number of hearings throughout the province. We wrote the recommendations as the farmers recommended them to us.

That board has come a long way. Their head office used to be just a block south of the Palliser Hotel in Calgary. Can you imagine a farmer coming in from, say, east-central Alberta, northern Alberta, or even southern Alberta and trying to get to the board office? He's down there on that nightmare one-way traffic on 8th Avenue trying not to get run over, still looking at those buildings, mean policemen. He can't find a place to park, and when he finally finds the corporation's office he is so doggone fed-up and mad that he goes home, goes to the beer parlor, and says to heck with it. So, Mr. Speaker, the board has now been moved by our policy of decentralization to Lacombe in central Alberta where it belongs — at least where you can find it.

AN HON. MEMBER: Good choice.

MR. STROMBERG: Mr. Speaker, I'd just like to briefly run over a few of the programs the Alberta Hail and Crop Insurance Corporation is involved in. Quite a number of farmers — and I suspect members of this Legislature — do not know that the corporation has been involved in a research program, especially one with Lacombe experimental station, in wild oat control and also the damage done to rape crops by hail. The board has now decentralized into rural Alberta, with 53 centres. The farmer can go into the local centre, buy his insurance, and not have to write to Calgary or have an agent come out to him. Mr. Speaker, the hail insurance program was changed from \$60 per acre coverage to \$100 this year. I'm using the table — this was tabled about two weeks ago in the Legislature — for 1978. Under the hail program alone in 1978, we had \$143 million written in hail policies. Hail losses that year were approximately \$18 million. But there was a refund in 1978 of 15 per cent of the farmer's premium to non-claimant policy holders and a refund of 5 per cent premium to policy holders with claims.

Mr. Speaker, I could go on. A good arrangement that's unique in Canada is the hail agreement we have with the Eastern Irrigation District. The board has agreed with the irrigation district to cover all crops grown in the Eastern Irrigation District. Mr. Speaker, going into the insurance season this year, we see spring wheat, oats, barley, flaxseed, fall rye, rapeseed, spring rye, mustard, mixed grain,

winter wheat, utility wheat, seed beans, dry beans, dry-land potatoes, irrigated potatoes, and a new program implemented last year, hay and grass production. No wonder the Saskatchewan farmers are coming this way. Unseeded acreage — that's a new one. That has ... [interjections] We have a hard time raising apples here. You know the orchard growers.

AN HON. MEMBER: I don't know about that.

MR. STROMBERG: The unseeded acreage has proven very successful but has been very expensive to the corporation. The hail endorsement insurance that can be attached to the regular crop insurance program. Special assistance in high risk areas — the government of Alberta will pay one-half of the portion of a farmer's crop insurance premium which is in excess of 6 per cent and on up to 7.5.

Mr. Speaker, I'd also like to mention the hay and pasture program. In the past, it would seem in Alberta that if the south is dry, the north is practically drowned out, or vice versa. Or portions of central Alberta are extremely dry and portions drowned out. We have a movement of hay. Every year this Legislature or the cabinet is asked to vote on a special warrant for emergency feed assistance. One year we were moving hay back and forth from the north to the south. I have to commend the Minister of Agriculture for implementing the hay and pasture insurance program. Last year was a trial year. It took in the counties of Lacombe, Stettler, Paintearth, Red Deer, and Ponoka. It was reasonably successful. We paid out a lot of premiums. We don't have any reserve, but this year it will be expanded into the County of Wetaskiwin and, I believe, Parkland, Leduc, and east out to Wainwright.

Mr. Speaker, I had to get a plug in for just one of a couple of hundred programs available here in Alberta for beginning farmers.

Thank you.

MRS. CRIPPS: Mr. Speaker, I want to commend the member on presenting this motion. I'm especially pleased that the Minister of Agriculture has already initiated a program which fits the bill, thus enabling me to discuss other areas of concern in agriculture. I'm glad the hon. Member for Camrose spoke before I did, enunciating the excellent programs outlined so I don't have to.

In entering the debate on Motion 207, I simply want to underline the importance of agriculture or, rather, agribusiness in the economic sphere. Agriculture is the production; business is the conversion, distribution, marketing, and consumption of food. This is a vital sector. Society must feed its people. To that end, protecting our inheritance — not only from becoming a concrete jungle, but from pesticides, insecticides, herbicides, and fertilizers — becomes imperative. The technology to destroy is advancing faster than the proof that permanent destruction of micro-organisms and fauna of the soil will not be the end result. I trust these detrimental effects will be monitored through the Farming for the Future program.

Agriculture is the one industry in Alberta which cannot pass on its increased costs; in fact, cannot even be sure of cost returns. As I stated earlier in the session, fair return for agricultural products is where I feel most helpless as an MLA; a semblance of busybodies preaching the essential future while appearing to neglect the present and immediate problems to be solved.

The plight of the hog industry is getting critical. Over

28,000 hogs a week are marketed in Alberta. If the loss is \$15 — and the loss is usually \$15 to \$30 — then pork producers in Alberta are losing \$420,000 a week. A producer who markets 100 hogs would lose \$1,500 a week. If their problem was based on supply and demand, the farmers could react. But it's based on outside interference — subsidies from other provinces — which place the Alberta producer at a \$25 per hundred disadvantage.

There are inherent problems in providing stop-loss and subsidy programs; that is, oversupply, which leads to production controls. Before the people in the hog industry request or, for that matter, accept stop-loss programs, they must realize that production controls are an essential component of such a program. Marketing boards and quotas are not the total answer.

I'd like to relate the problems a dairy producer encountered in my area in 1978. He had extra cows, so he applied for a 5 per cent increase in quota. Milk production was too high that fall, so all quotas were cut back 5 per cent in November. Milk cows produce milk, so that meant selling the extra cows. Prices ranged from \$150 to \$300, because all the producers had the same problem; they'd all been cut back 5 per cent. In December, production fell off and the dairy board needed more milk. In January, the producer was given back his 5 per cent, plus the 5 per cent he had requested, plus an extra 5 per cent because they were short of milk: a 15 per cent increase in two months. But the factory had been sold; not only his cows, but many other producers had culled and reduced their herds. The net effect was that replacement cows, which he had sold two months earlier for \$150 to \$300, now cost \$700 to \$1,200 to replace. He had to have the cows or he'd lose his quota. If he lost his quota, Alberta would lose her quota to central Canada.

We're in the same situation today. Milk is down 17 per cent, so we're paying a \$2 subsidy on over-quota milk. It's imperative to fill this quota or we lose it.

I just got some information: we don't import any milk, but we do not have enough industrial milk. In fact we only supply 70 per cent of the market for cheese and yogurt. As a result, we import the other 30 per cent from Ontario. The marketing board has certainly stabilized the dairy industry. But this goes to show it's not infallible.

The beef industry is extremely complex, because it's based on a North American market but tied to import by the GATT agreements, through which there is a guaranteed minimum access of 139 million pounds to Canadian markets, plus a growth factor tied to the population increase, regardless of the trend in beef consumption, which has dropped over the past few years. In 1977 Canadians consumed 111 pounds of beef; last year they only consumed 92 pounds per person. This decline in consumption was caused by availability of other cheaper red meats and poultry, and by the change in the eating habits of Canadians. Fifty per cent of the population increase in Canada today is by immigration. Many of these people do not traditionally eat beef. This lower consumption, coupled with increased import quotas, compounds any cyclical trend in cattle production, and frustrates any attempt by the cattlemen to level off pricing declines by reducing herd numbers.

The GATT agreement effectively nullifies the effect of any import law based on counter-cyclical formulae which would protect the consumer with high imports when production is low. Since 40 per cent of Canada's beef is produced in Alberta, our farmers reap 40 per cent of this effect, good or bad. In this case it's negative.

The retail markup has been a factor which has in-

creased the cost to consumers and decreased producer return. In 1978 — this is a February 20 assessment that they make every year — Calgary markup was 57 cents and Montreal was 52 cents. On February 20, 1980, Calgary markup was 82 cents and Montreal was \$1.05. In the eastern markets, the producer share of the retail dollar has dropped from 49 per cent in 1978 to 43 per cent in 1980.

It's all very well to enunciate the problem, but achieving a solution is another story. Generally, cattlemen are free enterprisers who take fluctuations in stride — with some reservations, I might add. These farmers don't believe price stabilization and marketing controls will work. Both B.C. and Quebec have stabilization but no control, which creates a problem of unfair advantage. Some producers advocate price stabilization. If another bust occurs, there may be many more. This could cause a reactionary closure of the U.S. border.

The cattlemen have suggested an income-averaging trust account. The principle would be to allow cattlemen to put money into the trust account in good years, without paying income tax on it, and withdraw those funds in the low-income years, paying tax in the year of withdrawal. This would require a change in the federal tax act. It would also have the effect of stabilizing the market near the end of the year, because farmers would use this method of reducing income rather than buying cattle. The plan would also be self-supporting and self-sufficient.

Orderly marketing of grain has always been a concern of the Alberta grain producer. Over the years, Canada has lost credibility as a grain exporter. This has cost us millions of dollars in lost sales and demurrage charges. This government is committed to purchase 1,000 hopper cars and to become in excess of \$100 million in the development of the Prince Rupert grain terminal. Markets for Canadian grains are expanding more rapidly in the Pacific Rim than the Pacific coast terminals are able to deliver.

The other major agricultural problem, Mr. Speaker, is the differential in rail rates. It is more expensive to ship from Ontario to the prairies than from Ontario to Vancouver. In 1972 this differential cost the prairie purchaser \$6.4 million. If he'd shipped it to Vancouver, it would have been \$6.4 million less. The discussions currently being carried on are designed to resolve this issue.

High interest is the second-largest component of farming costs. If a young farmer purchases a farm at a book value of \$170,000, at a rate of 15 per cent interest the monthly payment would be \$1,700. The interest alone is 9.2 per cent of the average Alberta farm income. The largest expense is machinery, compounded because most machinery is purchased with borrowed money. That fact is especially illustrated in local machinery sales lately, where farm machinery has been going at fire-sale prices. I think this is going to reflect directly on all sales this spring. In 1978 total farm loans were \$2,436 million, for an average \$40,000 debt for every farm in Alberta. At today's interest rates, this is \$6,800 interest alone. On October 25, 1979, the Provincial Treasurer took steps to freeze ADC loans and treasury branch loans in hopes of influencing this trend. The beginning farmer loans are absolutely essential and will encourage young people to get into agriculture. Lending on a young person's own merit makes the program available to farmers' families. This will ensure competent farmers taking over the family farm.

Mr. Speaker, the direct loans and special assistance

loans are essential, but should not be restricted to a lender of last resort. There really is no reasonable ground for subsidizing a poor-risk farmer over his neighbor who does not qualify because he's financially stable.

Mostly, I've outlined the problems in agriculture, which probably can be summed up by saying there's a need for constant fair prices for products. I think it worth repeating that prices fluctuate constantly. If this fluctuation were caused by supply and demand, farmers could react, make management decisions accordingly. But the prices are influenced by world production, again government interference, subsidy programs, importation of competing products, dumping of surpluses, our landlocked position in Canada, strikes in related industries, inability to deliver contracts, and the use of agricultural products as bargaining agents in the import/export market. The GATT agreement is an example. It must be recognized that any assistance to agriculture really benefits the consumers also. I have to agree with the Member for Wainwright that we have a cheap food policy in Canada, and that the increasing production costs of agriculture must be met. The average Albertan spends 15 per cent of his income on food. A healthy, viable agricultural sector will guarantee the availability of high quality foods for all Albertans.

Thank you.

MR. MANDEVILLE: Mr. Speaker, just making a few remarks on this motion, I have to say that I think it has been taken into consideration with the minister's recent announcement on our young farmers program. I certainly have to commend the minister for this program, because I think it is going to work out very successfully. However, I'm very concerned about the late announcement of the program. Many of our young farmers are going to be making offers on land. I can speak for my own constituency. My loans officer has just been swamped as far as applications are concerned and just can't process them all. He just doesn't have the time to do it.

In another area I deal with, I was talking to the loans officer and he is swamped as well. If they put in a new man, it makes it very difficult when they have to train someone in the lending area at this late date. And what's happening on these applications: some of the young farmers have made deposits, subject to getting loans approved from ADC. Many of them are very favorable loans, but at this point it's almost time to get into the fields and start farming. Who is going to do the farming? Is it going to be the vendor or the purchaser? So that's certainly creating a problem as far as the new programs are concerned.

One suggestion I would like to make to the hon. minister in this regard is let some of the loans officers. . . You can go to a chartered bank and borrow so much money, right at the local level. I would like to see this happen as far as some of our loans with the Alberta Development Corporation are concerned. I'm sure these loans officers — most of them — have been in place for a long period of time now. I'm sure they can be trusted in approving and processing these loans at a local level. This is an area I certainly would like the minister to give some consideration to. So when the loans officers get all this information, they're dealing eyeball to eyeball with the applicant; in most cases, they know the applicant personally. I'm sure they'll do an excellent job of processing these loans at a local level.

What they have to do now, Mr. Speaker, is process the loan and get all the information together, and then they

have to go to a regional office where it has to be approved and then sent on to the main office in Camrose. Sometimes there are little details — they have to be sent back. Or the loan is approved at the local level and the regional level and then turned down. It has to go back to the appeal committee and they approve it. It goes through all that process. It certainly takes a long while to process one of these loans, especially now that they're swamped with applications. Some of the directors have been indicating to me that it could take until September or October before they get some of these loans completely processed.

The reason I think something should be done in this area is on account of our serious interest rates. Just let me say I just can't believe that the federal government in Canada or Carter in the United States think they can control inflation by increasing interest rates. To me that is no method of controlling our inflation. If we're going to control inflation, we have to control credit. Maybe there needs to be some controls on credit in Canada.

As far as our farmers are concerned, it's just impossible. I know the minister is going to be getting lots of complaints from farmers. They are existing farmers who got loans, say, back in 1975. They got a loan from the bank guaranteed by ADC, and at that point it was costing them 9 or 10 per cent interest. Now those same loans that are . . .

MR. KNAAK: I wonder if the member would permit a question.

MR. MANDEVILLE: Certainly.

MR. KNAAK: In terms of the credit controls to reduce inflation, would it encompass the farmer or would that just relate to businessmen and consumers?

MR. MANDEVILLE: Mr. Speaker, I really don't think we have to control credit as far as our farmers are concerned, because I think they pretty well control their own management as far as that is concerned. But I do think that in a lot of cases — we've got a really high standard of living, and I think we could control our credit in a lot of other areas, other than in especially the agricultural field.

But as I was saying, these farmers who have the floating interest rates — where they were paying 9 and 10 per cent, now they're paying up to 17, 18, 18.5, or 19 per cent. Well, it's absolutely impossible for these farmers who've got a program worked out. They've got their financing worked out. Now they get hit with these high interest rates, and it's impossible for them to make their payments on their land without going into operating and all other expenses they are faced with.

One particular farmer in my constituency has been in to see me. I know that he's talked to Alberta Development Corporation. I think he's also discussed his situation with the minister. He went into farming. I'll agree that he went in too fast in too large a way. He got caught in this interest squeeze and now he's faced with a very serious problem. The bank wants to call his money on April 1. Here he is, an established farmer who's been farming all his life, and he's got a son who wants to farm. Until the minister made the changes in this program, the son was not able to get our cheaper rate of money from the Alberta Development Corporation. But now with the changes, he can get some money. Hopefully he can, anyway. I certainly hope the minister is going to be able to help out the farmers in this situation. They didn't

create it themselves. They got a projection on their income and how they could handle their debt. Now they're faced with payments they can't make as a result of high interest rates.

It's certainly hard to explain, and I know rural members on the government side of the House are going to have to explain — in many cases farmers will come to me and say, Fred, how come the government can loan money out of the heritage trust fund to the maritimes for 10 and 11 per cent, loan it to Quebec for 10 or 11 per cent, when we can't loan it to our farmers?

I agree, the direct loans to ADC were 9 per cent, and now they're 12 per cent. We're charging our farmers high interest rates under the guaranteed loans, when we've given preferred interest rates to some of our other provinces and to some of the oil industry in the province. It has certainly caused some concern in the agricultural field as far as loaning this money out to other areas and not to our farmers. I'm not saying we don't loan some out to our farmers, because we certainly do. As I said, I appreciate the changes the minister has made as far as the Alberta development corporation is concerned.

What we have to do, Mr. Speaker . . . In all areas of commodities in the agricultural field we're always facing problems. I can recall several years ago, we were facing the same problem with the cattle industry that we're facing today with the hog industry. I don't believe we should be subsidizing to a great extent, but the minister of the day, the hon. Minister of Municipal Affairs now, came out with a program that I think was very successful. We had a short-lived depression in the cattle market. A lot of our farmers, especially in the northern part of the province, were going to get out of the cattle industry. But the \$42 million paid out directly to the cattle producers certainly kept a lot of our people in the cattle industry. They survived and stayed in the industry.

The hog industry is . . .

MR. DEPUTY SPEAKER: I regret to interrupt the hon. member, but time for the afternoon sitting has expired. Perhaps the hon. member would wish to adjourn debate.

MR. MANDEVILLE: I beg leave to adjourn the debate.

MR. HORSMAN: Mr. Speaker, tonight the House will resume in Committee of Supply, and I therefore move that this House do now adjourn until such time as the Committee of Supply rises and reports.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Acting Government House Leader that when the House reconvenes this evening hon. members would be in Committee of Supply and that we adjourn until the committee rises and reports, are you all agreed?

HON. MEMBERS: Agreed.

[The House recessed at 5:31 p.m. and the Committee of Supply met at 8 p.m.]

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

[Mr. Purdy in the Chair]

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

Department of Advanced Education and Manpower

Agreed to:

Vote 2 — Assistance to Higher
and Further Educational Institutions:

2.1 — Program Support	\$14,022,280
2.2 — Provincially Administered Institutions	\$83,726,881
2.3 — Public Colleges — Operating	\$58,740,000
2.4 — Private Colleges	\$2,162,000
2.5 — Universities — Operating	\$234,255,000

2.6 — Public Colleges — Capital

MR. D. ANDERSON: Mr. Chairman, last evening the hon. minister indicated in response to my initial remarks that the Mount Royal College expansion plans were shelved because he didn't get the money for it and, I think the term was, that was that. I appreciate that the hon. minister did not receive the money or indeed that it is not in this year's budget, but I think the people involved with that particular college would very much appreciate knowing on what criteria the expansion plans were turned down and exactly why they did not progress this year. I ask that question of the hon. minister.

MR. MAGEE: Mr. Chairman, I would like to explore further with the minister the subject of the trades and technology role of the colleges. I'm particularly concerned with the rapid growth of Red Deer and central Alberta and its need for apprenticeship training. Recent analysis of the major apprenticeship trades in the area indicate that approximately 1,300 young men and women from central Alberta attend NAIT and SAIT each year, and the number is growing. The minister is to be commended for his recent announcement of an expansion in this area of education in the Edmonton area, and for his recognition of the need for programs to assist the growing number of people who need retraining and need to develop trades and technological skills in this area. No one quarrels with the need in this particular metropolitan area.

However, it is my concern that so many people are, in effect, being exported out of Red Deer and central Alberta. You see, Mr. Chairman, I have personal knowledge, having had a business that hired people in three of these trades. I would suggest that at least 60 per cent of the people employed by my company who were sent for advanced training to raise their skills and acquire journeyman status to provide a higher level of service for my customers were lost to the big cities of Edmonton and Calgary. How do you keep them down on the farm once they have seen the lights of Gay Paree? That is the problem as far as citizens attending school in these two large metropolitan areas is concerned. This is true of many young people who want to try their fledgling wings. By nature, youth want to move out for new adventures in strange lands, and they do look on Edmonton and Cal-

gary as just that sort of a Mecca.

However, Mr. Chairman, by losing many of these young people in the central Alberta area — they never return home. Or if they do come back home, it's only long enough to get their certification time, to fill out their work hours in conjunction with their scholastic training. In a very few months after that period of time they, for some strange reason, are leaving you and heading for the big city. So, Mr. Chairman, I would like the minister to elaborate to some degree on this need for training in some of the areas other than Edmonton and Calgary, if he could.

When these young people leave, many of them are married. It's disruptive to their family lives to attend courses in the city and be away from their families all week. In addition, this costs them extra money that they could very well keep in their pockets and spend in the central locations. Having been a former employer of many of these young people, and I think many other businessmen are like me in communities like Red Deer and others around this province, centres such as Lethbridge, Medicine Hat, Grande Prairie, and so on — they come to know the families and the young people who grow up in their area. They put a lot of faith in those family connections and the fact that they are hiring good responsible young people, because of having seen them grow in their own areas. When you export these people from these locales, you're faced with placing ads in cities in other provinces across the country in order to get people with expertise to fill the gap in major urban centres other than Edmonton and Calgary.

When one really realizes that you're talking in the area of 1,300 people in eight trades, it would seem to me, Mr. Chairman, that this would represent something in the order of 120 persons per trade. In my opinion, this should accommodate the need for a four-year course. If you really worked it down, it would be about 30 people per instructor per year. To me this sounds like it would be the type of population required to sustain a course.

I would like the minister to elaborate to some degree on the hopes for the college systems to expand and develop these technological trades, so that we can, in effect, have true decentralization in this province and not depend on importing everyone from outside areas. Let's grow some of our home-grown products, our young people, and have them educated where they know they can get jobs.

Another point I would like to make is the fact that many, many young people are coming to this province of Alberta looking for work, looking to be educated, and looking to find a place to put down roots. I would suggest the majority now head to the two major metropolitan areas. They complete their training there. They find jobs there. The larger cities tend to get bigger and bigger and bigger, and the smaller cities have difficulty competing in the work place for the skills of many of these people, sometimes having to pay a premium to have these young people come to the smaller places in order to work and to live.

So I think it's an appropriate time, when the emphasis is on the training of young people, the retraining of others, and the need in this province for a whole area of skills in mechanical trades and in the technologies. Certainly, Mr. Chairman, if we are to expand into new fields of technology, it would seem to me that as a new technology is established, it should be established in our college system so that it becomes a unifying force, becomes recognized as part of that college structure, and

becomes a place which will provide a magnet for young people who wish to get experience in that particular technology.

So, Mr. Chairman, I would appreciate the minister addressing himself to these various comments.

Thank you.

MR. BORSTAD: Mr. Chairman, through you to the minister. On behalf of the citizens of Grande Prairie, I would like to thank the minister for the approval in the budget for the student residences for the Grande Prairie College. When complete, these residences will greatly strengthen the college in providing accommodation for students from the area. They should add to the services of the college, which will provide summer courses, seminars, et cetera. I think it's a great improvement for the Grande Prairie Regional College.

Like the Member for Red Deer, I would also urge the minister to look very seriously at nursing training in northern Alberta, especially at Keyano College and the Grande Prairie College. As the Member for Red Deer mentioned, when we lose them to the bright lights, they don't seem to come back. I think if they could be trained in the north, they possibly would have a chance of holding them in the north.

MR. DEPUTY CHAIRMAN: Before the minister responds, I'd like to draw the attention of hon. members to the rules of Committee of Supply. The Member for Red Deer should take note that the comments he made should have been done in Vote 1 of the Department of Advanced Education and Manpower, not under Public Colleges, because he did a wide-scoping type of speech. If you have any questions regarding any of the other votes under Vote 2 and on, you can make them under the particular colleges. Does the minister want to respond?

MR. HORSMAN: Yes, Mr. Chairman. I would like to thank the hon. members who have participated for raising some interesting questions. The hon. Member for Calgary Currie has asked why Mount Royal College capital expansion is not included in this year's budget. When one looks at the overall question of capital expenditure within the Department of Advanced Education and Manpower, the total amount is up considerably in both the public colleges, capital and the universities, capital. It's a matter of prioritizing one's projects. With respect to Mount Royal, it is of course located in a major metropolitan centre, which is also the site of a major university, the Southern Alberta Institute of Technology, and the Alberta Vocational Centre.

Mr. Chairman, I think it's fair to say that there is a drive towards regional expansion of postsecondary services. The hon. members for Red Deer and Grande Prairie have both touched upon that concern. I guess it's fair to say that within any worth-while project there is concern when the intent to expand is not met. I think the work being carried out at Mount Royal College and the programming there are very remarkable and very satisfactory. At the same time, when prioritizing in the budget, we must keep in mind that it is housed in one of the newest, most modern and up-to-date campuses of any of the provincial public colleges.

I think the project and concept that have been advanced by the board of governors of Mount Royal will certainly merit consideration in future budgets. But in terms of the priorities for public colleges this year, it was not number one.

With respect to the matters raised with regard to decentralization and regional expansion, Red Deer College was not included in this year's capital budget, and I think it merits explanation at this stage. I would prefer not to use the term "decentralization" with respect to expansion of colleges or college systems in the regional centres, such as Red Deer, Lethbridge, Medicine Hat, Grande Prairie, Fairview, and Fort McMurray, rather to refer to "regional expansion". I think it is obvious from the Speech from the Throne and comments in the budget, as well as my ministerial statement on capital expenditures, that we can anticipate further initiatives in regard to this regional expansion during the course of this year.

I think it's important to point out that the arguments advanced by the hon. Member for Red Deer are legitimate and valid with respect to the desirability of expanding the trades and technologies programming in the colleges. But it's also true that we must do so in consultation with the boards of governors at those institutions. Institutions in Red Deer, Medicine Hat, and Grande Prairie are particularly designed for and the programming is largely directed towards university transfer programming, with a mix of other programming, such as nursing, in some of the institutions.

So in assessing the programming they desire in these institutions, it's important that the boards of governors tell government that they wish to move in the direction of expansion in the trades and technologies, and to tell government in a significant way. In the case of Red Deer College specifically, I think it's fair to say that they have done so. They presented to government a very worthwhile program, which we are reviewing and which, together with the other programs we anticipate in some of the other regional centres, will eventually prove to be a significant addition to our trades and technologies.

I want to touch on one thing the hon. Member for Red Deer said, Mr. Chairman, and that relates to the population growth rate. While it's true the population of Alberta has grown in excess of 3 per cent per annum over the last five years, and last year about 3.4 per cent — which, by the way, was better than three and a half, perhaps even four times the growth rate experienced in Canada — the growth rate in regional centres such as Red Deer, Medicine Hat, Grande Prairie, Fort McMurray, other centres, and to a lesser extent perhaps Lethbridge, has exceeded in percentage terms both the provincial average and the growth rate in the two metropolitan areas. That of course lends weight to the arguments and propositions being put forward by the boards of governors from those regional colleges for extending their programming into the trades and technologies.

I have now visited, for example, Red Deer College on several occasions — once to open a major new wing, which will significantly add to the programming capabilities at Red Deer College, and on other occasions to meet with the board of governors, faculty, students, and support staff to assess their desires for the development of that institution. I'm certainly well aware, Mr. Chairman, of the very important role that Red Deer College will be playing in the forthcoming decade of the 1980s.

I thank the hon. Member for Grande Prairie for his comments with regard to the student residences. As most members are well aware, what occurred there relates to the length and the progress of the budgeting system we operate under. After I visited Grande Prairie last spring — my first visit there as minister — it was evident to me, as a result of my discussions with the board and the students that a student residence there was absolutely

essential. Planning then began to put it into the budget. The final decision was reached toward the end of last year, finalized in early 1980, and announced with the capital expenditures of my department after the budget. That's one of the facts of life with regard to the budgetary process.

Shortly after this session concludes, we'll start all over again with next year, prioritizing the requests that come into my department, taking them through, discussing them with my colleagues in Treasury and priorities, and then preparing for next year's budget. So comments made tonight by the hon. Member for Red Deer, the hon. Member for Calgary Currie, the hon. Member for Grande Prairie — although his wasn't specifically related to capital expenditure — are certainly useful to me and to my department in assessing what will be taking place in next year's budget, perhaps even before then, assuming that a new package can be tied together, as I indicated in my ministerial statement.

MR. SINDLINGER: Mr. Chairman, to the hon. minister. I found your comments on population growth quite interesting. You cited an annual growth rate in excess of 3 per cent over the last three years, and in fact 3.4 per cent last year. In discussing regional development, you noted that Red Deer, Medicine Hat, Grande Prairie, Fort Macleod, and Lethbridge all exceeded the provincial average as well as the Calgary and Edmonton average. I found that quite interesting, inasmuch as the growth rate in Calgary and Edmonton has been approximately 2,000 to 3,000 per month, about 5 to 7 per cent per annum, which is an exceedingly high growth rate.

The question I have for the minister, Mr. Chairman, is with regard to Mount Royal College. The hon. minister mentioned that the proposal for capital expansion at Mount Royal College will "merit consideration in future budgets". What is the nature and extent of the long-range capital planning, and where does the Mount Royal College proposal fit into that long-range capital planning?

MR. D. ANDERSON: Mr. Chairman, I too have a supplementary question with respect to Mount Royal College. I appreciate the minister's comments with respect to the priorities of decentralization, and in fact endorse those comments. I also appreciate that Mount Royal College has a new and excellent facility, but I'm not sure exactly how that relates to the expansion plans which, from my understanding, were intended to deal with the growth rate so aptly raised by my colleague from Calgary Buffalo. I would like to have cleared up the criteria that are used. The hon. minister mentioned that the University of Calgary and SAIT exist in Calgary, and indeed they do. Is he saying that those types of education have priority over the community education process taking place at Mount Royal College? I'm confused with the criteria, and would very much appreciate some elaboration on that point, following on the question from the hon. Member for Calgary Buffalo.

MR. HORSMAN: I don't have much more to add to what I've already said with respect to Mount Royal College. Certainly within the colleges system, when one looks around the entire system — the 10 public colleges that exist in the province — I think it's fair to say that Mount Royal has the newest and the largest physical facility in existence in that system. I don't want to get into a position of indicating that the proposal advanced by the board of governors is not valid or worth while. It

certainly is.

But in looking at the entire system, one has to realize that it's the largest, the newest in many senses, and others are perhaps further behind. I could cite you some examples of that, which isn't to say that Mount Royal College will not receive fair consideration in the departmental assessment of next year's capital allocation. It certainly will be reviewed very carefully. But that's a fact of life, and one has to live with this year's budget. I take the hon. member's comments as representations, very effectively made, for the budgeting process which will be under way for 1981-82.

MR. SINDLINGER: A supplementary to the minister. Could the hon. minister advise this committee whether the department does any capital budget planning longer than one-year duration? If I may, please, rephrase that: does the minister's department engage in long-range capital budget planning that exceeds one year and, if so, how many years duration does it go?

MR. DEPUTY CHAIRMAN: Does the Member for Calgary Currie have a question at the same time?

MR. D. ANDERSON: Yes. Again, it follows very much in line with the Member for Calgary Buffalo. I appreciate the hon. minister's comments, but I'm still unclear as to the criteria. Is it the age of the building? You spoke of the new building that Mount Royal College has. Is it that it's in an urban centre as opposed to a rural? It seems to me, Mr. Chairman — it may be because of my lack of knowledge of the ministry — that the criteria should be on number of enrolments or the requirements in terms of the education at that college in coming years. Are those not the criteria? If so, I'd still appreciate further clarification.

Thank you.

MR. HORSMAN: All factors mentioned by the hon. Member for Calgary Currie are taken into consideration in assessing any capital expansion at any of the institutions. I think it's fair to say we are trying to plan for the decade ahead of us, the 1980s. No one can plan with absolute certainty, but that is what we are trying to do with respect to the postsecondary system. For example, the new technical/vocational centre being planned for the Edmonton region is obviously being planned with a 10-year program in mind. It will take three to four years to have it in operation. Obviously, the committee which is being structured to examine what will be taking place in terms of programming within the institution will take these factors into consideration. But nobody can predict with absolute certainty what we will see in Alberta in 1990.

Agreed to:

2.6 — Public Colleges — Capital	\$17,537,000
2.7 — Universities — Capital	\$62,043,000
Total Vote 2 — Assistance to Higher and Further Educational Institutions	\$472,486,161
3.1 — Manpower Development	\$12,384,870
3.2 — Training Assistance	\$8,918,356
Total Vote 3 — Manpower Development and Training Assistance	\$21,303,226

Vote 4 — Financial Assistance to Students

MR. SINDLINGER: Mr. Chairman, to the minister. Could the minister please advise how many students in the province of Alberta would benefit by this program?

MR. HORSMAN: Approximately 14,000 students in Alberta take advantage of the financial assistance to students. That is in the neighborhood of between 30 and 40 per cent of the total students enrolled in postsecondary education.

MR. SINDLINGER: Mr. Chairman, could the minister also give a regional breakdown of the distribution for these funds and give us an indication of the criteria for that distribution, whether based on the need of students or on the age of the buildings?

DR. BUCK: Mr. Chairman, to the minister. We had a bit of discussion on the student assistance program, but we're still waiting for this earth-shaking announcement that the minister said several weeks ago he was going to make at some time in the future. I received assurance from the Premier and the previous Minister of Advanced Education and Manpower that one very simple amendment would be looked at, where an independent adult student, who has maybe been on his own for as many as three or four years, surely does not have to have his parent's financial background in his application. I'd like to know if the minister has at least moved that far along this great road of reform as far as student finance goes. Mr. Chairman, that's a good place to start.

MR. HORSMAN: Yes, the hon. member is correct. If a student is independent for a period of, I think, in excess of three years, there's no requirement for parental involvement in support. I think that's part of the Canada student loan plan and the Alberta supplementary plans as well.

While I'm on my feet, I can't provide the hon. member with a breakdown of regional or per institution loans or assistance. It's not part of the extensive material I have before me. It is based upon a number of criteria which include need, whether a student is independent, whether a student is married, whether a student has earned and saved — there are many criteria. They are all well laid out in both the Canada Student Loans Act and The Students Finance Act. But I certainly don't believe it would really be very useful to identify by institution the level of assistance provided. I suppose it could be done, but it would take a very great deal of work, and I don't think it's particularly useful.

MR. SINDLINGER: Mr. Chairman, to the minister. I find this actual vote quite remarkable in that the 1979-80 estimates are exactly equal to the comparable 1979-80 forecast; that is, the comparable estimate is \$11,902,751 and it's not by coincidence that the forecast comes out to \$11,902,751 as well. It indicates to me, Mr. Chairman, that there is a great deal of precision with regard to forecasting this financial assistance to students. I therefore see how it could be that difficult to break these down by regions or institutions. I would again request of the minister if he could provide that breakdown to us.

DR. BUCK: Mr. Speaker, the representation I was making to the minister is: students who are independent adults and who have not been away for any great length

of time, but do want to do their own financing. This is the area of concern, Mr. Minister, where we have been having promises of at least this small modification to the Act, without having to wait for some great gigantic study. I'd like to know if the minister has given that consideration. Most important, when is he going to take some action on it?

MR. HORSMAN: First of all, in answer to the Member for Calgary Buffalo, if it is — I cannot give that information on the basis of the material I have in front of me. If the hon. member wishes that information, I could certainly arrange for him to meet with the student finance officials and try to break that out by institution by region. Perhaps it could be done. But at the present time I'm not in the position to supply that information. I repeat that I don't think it would be particularly useful.

With regard to the question posed by the hon. Member for Clover Bar, the age of independence issue is one which has been reviewed by the Grantham task force. Certain recommendations were made by the Grantham task force, with which the hon. member is no doubt familiar. In addition, of course, the Canada student loans program has the same age of majority criteria with respect to requiring, as a matter of principle, that parents contribute to the cost of their children's education while they are dependant. That, along with other aspects of the student finance system in operation throughout Canada, is part of the terms of reference which will be studied by the task force recently announced by the Council of Ministers of Education, Canada, and the federal government. We expect to receive a report on that issue by mid-November this year.

However, if I could indicate this: in our plan we have instituted an appeal system for students who are in fact independent, even though they may not be older than the age set out in the criteria, or whose parents will not or cannot support them or contribute towards the cost of their postsecondary education. There is an ample appeal procedure provided through our appeal committees set up throughout the province. Indeed, in most cases where there is an appeal — and I understand that the percentage is very high — such students are in fact granted independent status by the appeal committees. However, until such time as we have the Canada student loans question and that Act cleared up with respect to the age of independence, I do not feel it advisable to move independently in Alberta.

However, I must say that the issue has not yet been decided. We expect it will be decided within a matter of weeks, before this session is concluded, so an appropriate announcement may be made to all members of the Assembly.

I think it's also fair to say that a number of other recommendations of the Grantham task force with respect to accessibility to postsecondary institutions are of equal importance to students in the system. Those are being carefully considered right now. As I say, in addition to that age of independence question, which we are likely going to have to go over, we are reviewing some of those other major recommendations. Hopefully, some of them can be implemented for the fall term of 1980-81.

MR. SINDLINGER: Mr. Chairman, the minister has offered to arrange to have me meet with student finance officials to get a breakdown of Vote 4, Financial Assistance to Students. That is very kind of the minister, but I would prefer that he have his department provide the

details and the data for me. I don't have the time, and I'm sure they are well paid and have the time to do that themselves.

With regard to the use for this, he didn't think it would be very useful. On the other hand, I maintain it would be very useful. I think it would certainly be revealing with regard to the priority the minister may or may not be giving the individual institutions.

DR. BUCK: Mr. Chairman, to the minister. I guess the minister has indicated to us tonight that there will really be no major revisions until the Council of Ministers of Education, Canada, brings in its task force report in November. Is that what the minister is telling us? Well then, basically, Mr. Chairman, what is the minister telling us? Can he explain to the committee?

MR. HORSMAN: I didn't say that. With regard to the Alberta student finance plan, I really want to emphasize that there are many important factors and many important recommendations that can be made independent of the question the hon. member raised first; that is, the age of independence issue. Setting that issue aside, there are many and very important recommendations that flow from the Grantham task force report in particular which I hope can be accepted by the government and by this Assembly, and announced before the end of this session.

DR. BUCK: Mr. Chairman, to the minister. Can the minister indicate to the committee how extensive borrowers' defaults are? Is it a matter of major concern? What percentage do we write off completely? Can the minister give us a breakdown of the defaults?

MR. HORSMAN: Mr. Chairman, I'll take just a moment to locate that. I think we are budgeting for about 9 per cent this year in terms of write-offs.

DR. BUCK: Nine?

MR. HORSMAN: Nine per cent. Of course that does not include the remissions we have in Alberta which are taken off the students' final indebtedness following successful completion of their courses. But in terms of bad debts, around 9 per cent.

MR. SINDLINGER: Mr. Chairman, to the hon. minister. The system of giving financial assistance to students was changed over the last few years; I'm not certain when. But after a student graduates and starts paying back his loan, part of the loan is forgiven. Is consideration being given to students who took out loans prior to that transition, applying the forgiveness to their loans as well?

MR. HORSMAN: That is not in this year's budget. As a matter of fact, that's the first time I've had anyone suggest that that might be done. I think it would go back some time. I really couldn't say we have given that consideration, certainly not in this year's budget. But there may be merit, in the event ... I can't recall the exact year we changed from a grant system to the loan system. We have to keep in mind that prior to the remission system coming into effect, a grant system was in effect as well. Therefore I would be very reluctant to provide a remission to someone who had, in addition to their loan, obtained a grant during the time they were receiving their education. So I think that would be

something we could look at, but it is not included in this year's budget.

DR. BUCK: Mr. Chairman, to the minister. What would be the comparative total of grants, bursaries, prizes, and scholarships, as it relates to the amount of loans taken out by students? Would the minister have that information? Could it be pulled together that way, or can he give us some kind of indication of where the grants, bursaries, prizes, and scholarships are in relation to the amount of loans students take out?

MR. HORSMAN: Mr. Chairman, with respect to financial assistance to students, we have \$1.3 million for administrative support, \$3.6 million for fellowships and scholarships, \$1.7 million for interest payments, \$5.3 million for remissions of loans, and \$828,000 for implementation of guarantees. I've rounded those figures off; I hope that's satisfactory for the hon. member. That's how it's comprised.

DR. BUCK: Just one last question in this section. How extensive is the bursary program, Mr. Minister? Has it been reduced quite a lot and replaced by student loans, or is it still a fairly extensive program?

MR. HORSMAN: Mr. Chairman, I think that fits into the fellowships and scholarships area, and that comprises a number of items. It includes such items as graduate fellowships and scholarships, which, I might add, were increased once this year, the scholarships from \$4,800 to \$5,400, and by order in council today increased again to \$6,000. Graduate fellowships have been increased, first of all in January this year, from \$5,400 to \$6,000, and again to \$7,200. It includes vocational teacher development grants and maintenance grants for single parents. This question was raised last night by the hon. Member for Edmonton Norwood. Perhaps I might expand on that subject slightly now, since I have some further information.

With regard to support for single parents, under the existing agreement single parents in one-year programs are funded primarily through the Canada Manpower program or the Alberta vocational training program, with supplemental assistance being provided, if required, by the Department of Social Services and Community Health. Single parents in two-year programs are funded totally by Social Services and Community Health, with supplemental assistance being provided by the Students Finance Board on occasion.

Single parents enrolled in programs extending beyond two years are funded totally by the Students Finance Board under the provisions of Section 22 of the student finance regulations. This section provides for grant funds to a maximum of \$6,000 in an academic year, provided the student in question has been issued a loan of at least \$1,000. These grant benefits under this program were raised from \$4,000 to \$6,000 in January this year. During the past fiscal year, 247 single parents were assisted under this program, and expenditures were in the area of \$375,000.

We go on from there to high school grants of a special nature, world college scholarships. I would point out here in addition that in January this year, those amounts were increased from \$5,000 to \$10,000 per annum. Then there are a large number of teacher bursaries and second language fellowships, and of course we have the Alberta Women's Bureau scholarship fund.

So all in all those fellowships and scholarships, as I indicated earlier, come to \$3.6 million of the total finance.

MR. ZAOZIRNY: Mr. Chairman, one of the real concerns that has been raised with respect to the present system of student financial assistance is with regard to the particular circumstances of the rural student. I'm thinking of the student from Stettler, for example, who may wish to enrol in the faculty of medicine here in the province of Alberta but, in order to attend that school in either Edmonton or Calgary, is faced with some substantial additional expenses that may not be experienced by the urban student, who is perhaps able to reside at his present home with his parents or certainly doesn't have the travel and accommodation costs the rural student will inevitably experience.

Can the minister advise whether consideration is being given in this review of student financial assistance to some particular and special consideration for the situation and plight of the rural student?

MR. HORSMAN: Mr. Speaker, that was one of the major recommendations of the Grantham task force report. The answer to the question of whether we are giving consideration to that particular issue is yes.

MR. LITTLE: Mr. Chairman, to the minister. Did I understand the minister to indicate that approximately 9 per cent of student loans are defaulted, or was that 9 per cent of the dollars?

MR. HORSMAN: Nine per cent of the dollars.

MR. LITTLE: Would the minister transmit that into actual dollars? How many dollars are defaulted?

MR. DEPUTY CHAIRMAN: While we're waiting, the Member for Grande Prairie had a question. Would you go ahead?

MR. BORSTAD: Mr. Chairman, my question to the minister is on timing, when people get notification as to whether their loans or bursaries have been approved. Last year I know I had some complaints that people didn't know until almost August 15 whether they were going to get their loan. In this case, it was a married woman with a couple of children who was hoping to go to university but didn't know whether she should quit her job and take a chance on getting the loan. I wonder about the lateness of advising the students.

MR. HORSMAN: Mr. Chairman, first of all, in answer to the hon. Member for Calgary McCall, the figure is in the neighborhood of \$800,000 per year. I think I quoted that figure earlier; it was \$828,000. That's implementation of guarantees, which the Students Finance Board guarantees. That's the amount we are budgeting this year for a loss, if you will.

MR. LITTLE: Mr. Chairman, a final question to the minister on the same subject. What steps are taken to collect these defaulted moneys?

MR. HORSMAN: A vigorous system of collection attempts is made. They are turned over to collection agencies. Some of the most difficult letters I have received have been from students who have been chased down

years later and are complaining bitterly that that was unfair. I don't take that view, however. When they pay up, I must say that something in me gives a little cheer. By and large, a vigorous effort is made to collect through the normal collection processes that are available and the many commercial concerns utilized.

I was trying to think of the question by the hon. Member for Grande Prairie relating to lateness. Yes, that is a matter of concern, but it also depends upon when the loans are applied for and so on. That's a very real factor.

I must say I would like to see better liaison between the Students Finance Board, my department, and the student loans officers or student finance officers attached to each of the institutions throughout the province. I met recently with the recently reactivated student finance officers association. I assured them I would be working very co-operatively with them, with a view to getting information out to the institutions and thus to the students, and establishing a good working relationship between the loans officers and the Students Finance Board to clear up problems relating to delays, rejections because of incomplete information, and so on. I think it's a matter of communication more than policy. I've indicated to this association that we would be working very hard in the forthcoming year to clear up some of those items.

While I'm on my feet, may I emphasize that once a new program is announced, we intend to engage in an extensive advertising campaign and in an extensive discussion with the loans officers. As I indicated to the council of presidents of the colleges yesterday morning, we will be engaging the loans officers in working sessions with the Students Finance Board, so they're fully aware of the new programs and all programs so they can properly inform the students who go to them, in most cases, first off. Therefore, we're going to try to improve that area.

Agreed to:

Total Vote 4 — Financial Assistance to
Students

\$12,802,851

MR. R. CLARK: Mr. Chairman, I'd like to ask a very brief question to the minister. It deals with a matter in my own constituency. Mr. Minister, there were great expectations at the college at Olds that there would be movement ahead with the library facilities. I would be less than looking after my responsibilities if I didn't ask the minister to explain why that wasn't in the capital budget and where the thing sits now.

MR. HORSMAN: Mr. Chairman, I appreciate the concern expressed by the hon. Member for Olds-Didsbury. I guess the same answer I gave the hon. members for Calgary Currie and Calgary Buffalo with respect to the expansion at Mount Royal College would apply there as well. The number of requests we received from the colleges system — if I can deal just with that — were extensive. A priority had to be fixed, first by me and then, of course, by Treasury Board and finance.

I think it's fair to say that that particular project from Olds College was my department's highest priority for that institution. Perhaps in the budgeting process we are about to enter again for next year's budget, it may fare better than it did this year.

But certainly I'm well aware of the project that has been planned. I have met with the college board. They have explained it carefully to me, and I think it has a great deal of merit. Indeed it would serve not only the college but the town in a very effective and useful way for

many years. So I'm very favorably disposed to that particular capital project.

MR. R. CLARK: I fail to get the significance of the minister's last comment. Mr. Minister, I take from the comment you made — and correct me if I'm wrong — that it was a priority as far as the department was concerned, but Treasury Board didn't make available as much money as the department wanted. If I'm reading incorrectly what the minister has said, I'd appreciate knowing, because there was certainly considerable expectation at the college. The town of Olds entered into what I consider a very imaginative agreement with the college. There was certainly a feeling on behalf of many people that with money being made available for planning — if my memory's accurate, that was some \$90,000 for planning, although I could be wrong — that was a pretty firm indication by the department that the project would move ahead.

Mr. Minister, I took it from the comments you made that the project would have a very high priority next year. Is that an accurate assessment?

MR. HORSMAN: Mr. Chairman, as I sat down, the microphone went off. I said: hopefully, while I'm still minister, we might be able to proceed with that project — assuming I would have another three years.

Mr. Chairman, in all seriousness, though, I do feel it is a very worth-while project. But within the total capital budget this year for public colleges, we have a spending increase of 9.9 per cent. That is a significant increase. When some of the projects presently under construction in the colleges system are completed, assuming that that same level of spending might be anticipated in future years — and I underline "might" — I would assume there's a much better chance of some new projects being started than appear in this year's budget.

Agreed to:

Department Total

\$513,019,848

MR. HORSMAN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Department of Utilities and Telephones

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. SHABEN: Thank you, Mr. Chairman. I have a few very brief remarks with respect to some of the highlights and priorities that I see before the Department of Utilities and Telephones in the upcoming fiscal year. I'd also like the members to note that the Associate Minister of Telephones will be making some remarks on Vote 1.0.2.

Mr. Chairman, I would start by referring to an item in the throne speech as well as in the budget speech, with reference to the natural gas price protection plan. In the throne speech, reference was made to the fact that we are working at developing a new plan and intend to introduce the details of that plan in the fall sitting of the Legislature. In that regard the estimate which is before you, approximately \$154 million, is an arbitrary amount and difficult to determine because of the timing of the implementation of a new plan and determining the nature and

course of that plan.

In the throne speech, reference was made as well to a remote area heating allowance. The rural gas program is now at a stage where we have granted franchise areas to all the agricultural parts of the province. Approximately 54,000 families are now obtaining the benefits of natural gas; that is, approximately 175,000 rural Albertans. Last year nearly 4,000 new hookups were accomplished. We feel it is now appropriate to move to providing some sort of price protection or assistance to people living in isolated areas and in those areas where the rural gas program cannot reach. Through the course of the coming months we'll be developing that program, and presenting details to members of the Assembly in the fall.

I'd like to acknowledge the very hard work in the past year of the members of the Department of Utilities and Telephones. It's a very small department, and they have responded in a most positive way to the kinds of challenges that have been given to them in assisting, developing, and completing the programs we have under way.

In 1979 reference was made to greater participation and advice being asked of the Rural Electric Council. I'd like to acknowledge their hard work over the past year, and remind the members of the Assembly that members of the Rural Electric Council are made up of the Union of Rural Electrification Associations, members from the utility companies, as well as members from the Department of Utilities and Telephones. They have been challenged by me to make recommendations to the government as to how we might improve the rural electric system. I'd like to acknowledge the work of that committee. Alf McGhan, chairman of the union of REAs, and all members of that council have been working very hard preparing proposals to develop and present to the government, to the caucus utilities committee, for improvement of the rural electric program.

I'd like to touch briefly on some other priorities of the department in the coming year. Some of these are ongoing programs. The replacement program of 3306 pipe is approximately one-quarter completed. By the end of the '80-81 fiscal year we expect that more than half the replacement will be complete. In other words, about 600 miles per year are being ploughed, replacing the 3306 pipe. Members will recall that the government moved last fall to provide 100 per cent of that cost of replacement.

A program started late last year that will be fully implemented this year is a quality assurance program to prevent, as much as possible, recurrence of the situation with respect to the 3306 pipe. That program is now fully operational. We're working closely with the extruders within Alberta and with the Canadian Standards Association and testing samples of pipe. We are really pleased that the program is in place, because last year we were able to catch a quantity of pipe which we were able to stop. Catching that bad batch of pipe probably saved our co-ops millions of dollars.

The matter of electric transmission lines was discussed in the Assembly last fall. Since then we've had an inter-departmental committee working very hard on developing recommendations as to how we might improve our approval process and the entire process of electric transmission lines. There's growing concern among the agricultural community, environmentalists, and so on about the increasing number of transmission lines. The committee has been hard at work. I expect their recommendations in the next month or so, which will assist the government in developing policies that I hope and expect would improve our procedure in handling this very important matter.

Items that all members are aware of and that are of high priority with the government in the coming months are the completion of studies now under way with respect to the western electric grid. As you know, we have invited proposals for the development of the Dunvegan dam and the hydro capacity there. We are anxious to move along with a balancing of our hydro and thermal electric capacities in the province and complete those studies so a decision might be made that would affect Albertans I think positively in the long term.

Mr. Chairman, I will be pleased to respond to any questions. As I indicated at the outset, the Associate Minister of Telephones will make remarks when we reach Vote 1.0.2.

DR. BUCK: Mr. Chairman, I'd just like to make one or two comments to the minister. What progress is being made with REAs as far as the so-called master plan goes? I guess this debate has been going on practically for decades now. I'd just like to know what progress the minister is making. Is there going to be any modification to that so-called master contract — not master plan, I'm sorry. Can the minister indicate how those negotiations are going on, or if anything is taking place in that area?

What further shielding are we going to require if we start exporting natural gas at a higher price? What protection are our consumers here in Alberta going to have? I know we supposedly had a firm price when we went into the co-op system for rural gas, and those figures have escalated upwards and upwards. What assurances are the people in this province, especially in the rural area, going to have that they are always going to have gas at a low price? Is the minister going to increase that shielding program? Are we going to be looking at a two- or possibly three-price system for natural gas? What is the philosophy of the department on the price of export gas, Canadian gas, and local consumers' gas? Is the government looking at a three-price system, and would it be feasible?

MR. MANDEVILLE: Mr. Chairman, just a couple of short questions to the minister. The replacement program the province has for faulty pipe has been going on. In my constituency I know it's almost complete. We have one concern, and that's where the pipe goes into the farmer's yard. They replace the pipe up to the meter. From the meter on, they used the same pipe co-ops were using and, as a matter of fact, got the pipe from co-ops in many cases. When they go to replace that, they have to replace it themselves. I know in many cases they haven't. They're waiting for a decision from government or from the minister's office in regard to this. Maybe the minister could comment on that just where it's at.

Another concern that has been brought to my attention in several cases is with Gas Alberta being the supplier for all the gas co-ops. In some cases a gas co-op will have a long-term contract, and then they have to have another station. I understand the policy of the department is that if they have to add to it, they have to go through Gas Alberta. In several cases they have the oil companies supplying at a long-term contract at low rates, I think in some cases as low as 30 cents a thousand. I'd also like the minister to comment on that area. Is the policy that all new hook-ups as far as co-ops are concerned have to go through Gas Alberta?

MRS. CRIPPS: I realize the minister knows of my concern, but since one of my pledges to my constituents

was to make representation for equalized farm heating fuels throughout Alberta, I must reaffirm that position. The minister's recognition of the problem in his opening remarks was noted. Maybe he will take my remarks as an endorsement of that program and possibly its expansion.

I realize the government has a policy of attempting to make natural gas available to all Albertans. However, many rural Albertans do not have access to natural gas, either because they live in a remote area or the co-ops in the franchise area in which they live have not yet serviced them because of construction time.

Propane distributors were deregulated on June 30, 1977, by the Public Utilities Board. Since that time propane has jumped from 15 cents to over 50 cents. While the board did not have the authority to recommend equal treatment for propane as for other heating fuels, they were sympathetic and did recommend that the government consider such a scheme. I'm glad to hear the minister is giving consideration to remote rural Albertans at this time. Approximately 40,000 farmers are propane users. For many of these people it's not economically feasible or, in some cases, even possible to switch to natural gas.

The areas I'd like the minister to consider are: number one, the treatment of propane in the same manner as other forms of energy with respect to subsidy, thus a policy of equal treatment for all Albertans regardless of what form of energy they use; two, consider a transportation allowance, if necessary, to bring the prices in remote areas of Alberta in line with the rest of the province — maybe that submission should be made to the Department of Transportation or Agriculture — and, three, in view of the escalating prices, consider whether propane should again be under the Public Utilities Board.

MR. SHABEN: Mr. Chairman, first of all I'd like to respond briefly to the hon. Member for Clover Bar. The hon. member made reference to the master agreement or triparty agreement depending on the particular power companies with which the rural electric association has an arrangement. That's part of the work the Rural Electric Council has been involved in since they were established in 1978. As I indicated in my opening remarks, they have been working very, very hard at developing recommendations to the government. I know the council has had discussions on the master agreement and the triparty agreement. I'm awaiting recommendations the Rural Electric Council might make to me in that regard. It's difficult to resolve, because those are existing contracts. In order to change an existing contract, it's normal to have both parties agree to those changes. As I indicated earlier, I'm pleased with the kind of work that's going on now.

It might be useful for members to know that although the Rural Electric Council is set up with two members from each group I identified earlier, generally the entire executive of the union of REAs sits in on these meetings. So there are usually eight REA members and two from each of the investor-owned utility companies, as well as two from our department. So progress is being made, and that's about all I can report.

The member asked a question about the price of natural gas. That's a part of the exercise in developing the natural gas price protection plan, in determining the level of protection. First of all, Albertans have a built-in advantage in that the natural gas is located in Alberta. If you calculate the cost of transporting that natural gas to Toronto, it's approximately 60 cents a thousand cubic

feet. So that's an immediate advantage that we have. As a result of the price protection plan and the proximity to the supply, there is also an advantage.

As far as determining a price, that's generally a question that should be addressed to the Minister of Energy and Natural Resources, because he is involved in negotiations with the federal government on the price of energy. As the hon. member knows, the border price of gas is based on 85 per cent of parity on a BTU value with oil, and that price is at the Toronto city gate. That has been the nature of the Natural Gas Pricing Agreement, and I think any question related to that agreement should be directed to the Minister of Energy and Natural Resources.

But I would say that the commitment of the government is that Albertans will have the lowest priced natural gas in Canada. I think that also applies to the question of the hon. Member for Clover Bar with respect to export, whether out of the province or to the United States.

The Member for Bow Valley asked a question about the yard services for 3306 pipe. We're looking very closely at that, and a couple of things should be borne in mind. The pressures within the yard are much lower than they are within the lines. We're monitoring a number of locations to determine whether there is a problem in the yard service, because generally the pressures are much lower. We haven't yet developed a decision whether or not there would be any assistance for yard services, until we evaluate the extent of the problem. As hon. members know, we moved with the replacement program after a careful evaluation by the Energy Resources Conservation Board. It would be premature for us to move with a decision on yard replacements prior to doing a really careful evaluation of the extent of the problem.

The other question the Member for Bow Valley asked was about supplies of natural gas and the price to rural gas co-ops. One of the really attractive features of the rural gas program is that all the 100 rural gas co-ops which purchase from Gas Alberta buy at the same price. It doesn't matter whether they're in High Level or right next to a well. There's a process of providing that gas at a very reasonable cost, and it would be difficult for us to provide natural gas at varying prices. There is no doubt, though, that Gas Alberta may be free to negotiate the best possible arrangements in terms of purchasing natural gas from the suppliers. We expect they will continue to do that in order to offer the best possible price to the rural gas co-ops, and ultimately to the consumers.

The Member for Drayton Valley raised an issue that we've discussed on a number of occasions. I'm always pleased to receive her representations with regard to the situation of propane users throughout rural Alberta. I know and appreciate her comments that she and her constituents are pleased with the program to develop an isolated or remote area heating allowance, which goes a long way toward solving some of the concerns the hon. member has.

One of the difficulties I have in advocating a price protection scheme for propane to our caucus is that we and the rural gas co-ops — the thousands of volunteers who have knocked on doors and signed up rural gas consumers — have worked very, very hard to make this program a success. And it is a success. I strongly believe it would be premature to offer price protection for another heating fuel within an area served by a rural gas co-op. It would possibly have the effect of discouraging completion of the hook-ups within that rural gas system.

The member raised a concern about the rising price of

propane. That's a valid concern; propane has risen. We are monitoring it through the Public Utilities Board. A number of factors have occurred. There has been a greater demand for propane in secondary and tertiary recovery in oil wells. There's a greater demand in Saskatchewan and outside Alberta. So the price has risen. Generally, though, Albertans have the lowest price, a far lower price for propane than our neighboring provinces. The government intends to continue to monitor the price of propane, and we would consider from time to time the impact of higher prices on consumers.

With respect to a transportation allowance, I think the hon. member is correct. The matter of farm fuel transportation allowance for propane should probably be referred to the Minister of Agriculture or the Minister of Transportation.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary Forest Lawn.

MR. ZAOZIRNY: Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Mr. Member, would you please take your place in the Assembly first.

MR. ZAOZIRNY: Thank you, Mr. Chairman. To the minister. This is a matter he alluded to, at least in some measure, in his earlier remarks. It relates to the field of electrification in Alberta and the problem of rate differentials throughout the province, which are experienced in some measure as a result of the delivery of those services by a number of different corporate entities. I wonder if the minister could advise the Assembly of any intentions or specific plans the minister may have with respect to trying to eliminate or minimize any rate differentials with respect to the delivery of electrical service presently existing in the province.

MR. L. CLARK: Thank you, Mr. Chairman. I'd just like to ask the minister if his department has any control over the supply of propane. Some time ago, I brought to his attention the supply for the Bow Valley co-op, which supplies all the remaining customers in our country and is having a very difficult time getting propane due to the fact that they don't use nearly as much as they used to. They just seem to be cut off at the plant. They're supposed to have first choice of the propane as it comes off, but it seems they don't use enough and find themselves going without propane. I wonder if there's anything you can do to help to guarantee a supply of propane for the people who are still on propane.

MR. SHABEN: Mr. Chairman, the Member for Calgary Forest Lawn asked a question that is very near and dear to my heart. I'm well aware of the concerns throughout many parts of the province on the considerable rate differential from region to region, and rural area to urban. It's a question I've addressed and asked the members of the department to address as to possible solutions to this problem. Before a solution can be obtained, it's important to understand what causes rate differential.

I'm sure all hon. members realize that the majority of Albertans are served in a variety of ways in terms of our electric energy needs. A large number is served by an investor-owned electric utility company known as Calgary Power, which either directly or indirectly serves about two-thirds of the electrical needs of the province. Calgary Power generates and distributes to a large num-

ber of consumers, as well as wholesaling power to the cities of Calgary, Lethbridge, Red Deer, and so on. Another investor-owned utility, Alberta Power, serves about one-third of the geographic area of the province, a very sparsely populated area. Edmonton Power, which is of course municipally owned, serves consumers within the corporate limits of the city of Edmonton. The city of Medicine Hat has its own electric utility.

That is basically the way power is supplied to our citizens. There are differing rates because each of those entities have different costs. The investor-owned utilities are regulated by our Public Utilities Board on the basis laid out in law, and those rates represent what the Public Utilities Board determines to be fair.

The city of Edmonton is not regulated. However, Edmonton has about 1,000 megawatts of generating capacity, all gas-fired, at the Clover Bar and the Riverdale plants. Of course, they are applying to the ERCB for development of the Genesee site.

For the Member for Calgary Forest Lawn, it's a very complex system of delivering electric energy. Before a solution can be obtained, fairness and equity to the consumers throughout the province have to be achieved. We're working very hard at proposals that I hope to complete, looking at probably five or six options and presenting them to the government for consideration. I can't respond beyond saying that it is a concern, and it involves a great deal of the time and effort of the department and me in seeking an equitable way to deal with that question.

The Member for Drumheller asked a question regarding supply of propane. The Department of Utilities and Telephones is not involved at all in the supply of propane. However, I'm sure there are ways we can work with the member and the co-op to assure an adequate supply. I can't respond beyond that, except to say that I'd be happy to sit down with the member and discuss it.

Agreed to:

1.01 — Minister's Office

\$114,419

1.02 — Associate Minister — Telephones

DR. WEBBER: Mr. Chairman, at this time I'd like to take the opportunity to make a few general remarks. As members know, tonight we're dealing with the Department of Utilities and Telephones estimates, not Alberta Government Telephones estimates. While I would anticipate the members may have some questions related to AGT, which I'd be pleased to try to answer, I would like to devote my comments to non-AGT telecommunication matters.

Members may recall that in last year's estimates we established a small communications policy branch within the Department of Utilities and Telephones. This branch has had an extremely active year, representing this government on working groups of federal and provincial officials. It has provided my office with advice on policy matters and, in general, acts as an information source on the broad spectrum of communications.

Also, members know we've asked the Public Utilities Board to conduct an inquiry into the provision of what's referred to as local non-broadcast telecommunication services. The public hearings phase of that inquiry is currently taking place in Calgary. The department has hired consultants, is participating in this inquiry, and will be participating in the follow-up aspect to that inquiry.

Departmental officials are involved in three federal/provincial working groups at this time. These working groups were formed at the federal/provincial conference of communication ministers held in Toronto last October. These working groups are concerned with examining, first of all, the delegation of federal regulatory authority over cable television systems; secondly, the industry structure and competition in the telecommunications industry; and, thirdly, an industrial strategy for the telecommunications industry. Other activities of the working group have focused on the extension of broadcasting services into less well-served areas of the province such as northern Alberta, and the use of satellites for the distribution of television programming. Increased attention has been paid to the proliferation of satellite ground stations for reception of TV signals from U.S. satellites.

The federal government, particularly through its regulatory board the CRTC, has continued to try to extend its regulatory authority into areas of provincial jurisdiction. The most recent example of that is the CRTC order that proprietary information belonging to AGT be made available to the CRTC. I've taken steps to see that this information is not released to the public, and will not be used in a matter that would not be desirous to AGT. I also asked AGT to follow up in any legal way that would be possible. Hopefully, we can try to cut off some intrusions in this area.

In conclusion, I'd like to say that the whole area of telecommunications is proving to be a most active and exciting area, both from the perspective of the operating company, Alberta Government Telephones, and from the broader policy perspective. At this time in our history the technologies of the electronics, computer, and data processing industries are rapidly converging. The traditional distinctions in those areas are rapidly becoming blurred, and there is the emergence of a host of new information services on the horizon.

I will conclude by commenting on the fact that we have in the Department of Utilities and Telephones a very small but very effective number of people working on telecommunications. These people are working very hard and, I believe, will need further assistance in the years ahead, because telecommunications is becoming more and more an integral part of our lives.

MR. TOPOLNISKY: Mr. Chairman, I have a few questions for the Associate Minister of Telephones. First, are there any plans to increase the present [34-mile] limit in the extended flat rate calling program? Secondly, are there any plans to have more flexible telephone exchange boundaries or, in some areas, to combine boundaries? Thirdly, how often are the questionnaires or ballots repeated if there is no clear indication as to which exchange is preferred on the first ballot? Finally, are some towns or villages reclassified as market centres from time to time, in order to be eligible for the EFRC service?

DR. WEBBER: Mr. Chairman, in response to the Member for Redwater-Andrew, first of all with respect to plans to extend the 34-mile limit of the extended flat rate calling program. As hon. members know, last year in the Legislature there was a debate on that particular matter, and it received excellent input from many members, including the Member for Redwater-Andrew. At the present time there are no plans to extend the 34-mile limit, as there are a number of communities or exchanges in Alberta which do not yet have the extended flat rate program. As a matter of fact, I believe some 22 to 25

exchanges in Alberta will be receiving extended flat rate calling during 1980 and 1981, all within the 34-mile limit.

The whole question of boundaries is very complex in the sense that these boundaries were pretty well determined by the old mutual telephone companies of the '30s. It's a very, very expensive proposition for the boundaries to be changed in terms of ploughing up lines and installing new lines from one exchange to another. So there are certainly no plans to change the boundaries at this particular time.

We are looking at the whole EFRC program to see if there are ways in which that program can be improved and ways in which some of these boundary problems can be resolved. Unfortunately, if you resolve a boundary problem by putting in a new boundary, it's often not too long before there are problems there as well.

With regard to the questionnaires, when a group of people in an exchange wants to have extended flat rate calling, AGT goes through what we call a questionnaire process and then the balloting process. The questionnaire process is to try to find out the market centres or the locations in which the people would like to have that particular service. Once one or more communities are identified, there's the balloting process, which has been done recently in a number of exchanges in Alberta. Some of them opted to have extended flat rate calling to certain centres, and others turned it down.

In terms of the frequency of having the balloting and questionnaires, some exchanges were balloted in about 1971-72. Some were done again in '75, and during 1979 balloting and questionnaires again took place. If there is a reason to think that the situation within a particular exchange has changed so that the people there have a reasonably clear choice for a market centre, I'm sure hon. members would bring this to my attention and we could look at the possibilities of a further ballot.

I believe those are questions the Member for Redwater-Andrew asked. I'll leave it at that.

MR. L. CLARK: Thank you, Mr. Chairman. To the minister. I was wondering if your department has the technology today to bring in programs and stations to rural Alberta via the satellite from the States, similar to what they have on cable in the larger centres, or whether we rural people are doomed to watch CBC for the next 20 years.

DR. WEBBER: I like the choice of words of the hon. Member for Drumheller, Mr. Chairman, with regard to the CBC. Certainly the technology is there. There are a number of communities in northern Alberta that do have earth stations aimed at the appropriate location in the sky to receive signals from satellites. Some of them are receiving signals from Canadian satellites, but I think more often they are receiving programming from American satellites.

I believe one of the first communities in Alberta that went ahead with this type of system was Manning. That was last fall. Then I think Rainbow Lake put the system in later in the year. I think it became active on Christmas Day, as a matter of fact. They claim that for several days there wasn't a vehicle that moved in that community. It was the first time they had television service, and they had quite a choice.

This is a concern to the federal government in that there is an agreement between Canada and the United States, or an exchange of letters, with regard to the — I

was going to say pirating of these signals from the satellites; that's probably the right term to use. However, when a community in the north or in the remote part of Canada doesn't get programming or doesn't have access to desirable programming and then sees the number of channels available from the American satellite, it's pretty difficult for any government to go in and take that system out because they think it may be illegal.

However, at the last federal/provincial conference on communications the matter was addressed, and the federal government decided to proceed with hearings through the CRTC. Phase one would be to receive briefs and proposals from interested groups across the country with regard to how the northern and remote communities might better be served. At that particular time the minister indicated that he would be bringing it back to the next federal/provincial conference, and would likely be followed up by some CRTC licensing in that regard.

Certainly in Alberta we would like to see the northern and remote communities get better service. The northern development council has submitted a proposal. We've met with Alberta broadcasters to see if there weren't better ways in which we could extend services. It was interesting that a consortium of broadcasters, including an Alberta broadcaster, submitted a proposal to the CRTC. That proposal would, in effect, provide Alberta broadcasting for northern and remote communities. The signal would be put up on the satellite, brought back down, and picked up by the earth stations.

Mr. Chairman, this is an exciting and new area, one that we could discuss for some time. But I think I've probably covered most things the hon. Member for Drumheller asked about.

MR. R. SPEAKER: Mr. Chairman, to the minister, a follow-up to a question by the Member for Redwater-Andrew with regard to telephone exchange areas. I wonder if the minister could indicate whether any of the areas have been changed. Some were established in 1964, '65, and some way back in the 1930s — when I say 1930s, actually in 1925 and '26. The boundaries established in 1964 and '65 just took those old boundary areas and maintained them. The whole mobility of our population, shopping centres, and people's buying habits have changed. There are areas where changes are required.

My first question is very direct: have any of these boundaries been changed? Secondly, if not, what is the minister looking at as a schedule of possible changes in the future? How is the minister handling the problem? I know it's not an easy one. How should we be helping the minister at this point in time? How can we deal with the problem that faces us?

DR. WEBBER: Mr. Chairman, the Member for Little Bow has hit upon one of the more complex and difficult problems that I've encountered in this area; the number of phone calls from AGT customers wanting boundaries changed, MLAs making requests along with delegations from their constituencies to have boundaries changed. To my knowledge there have been no changes. I would certainly have to check to see whether there have been any changes since the 1930s, or whenever the mutual systems were put into place. To change boundaries is a very, very expensive proposition. If boundaries are changed in one exchange, probably 50 other exchanges in the province would want their boundaries changed as well.

In terms of addressing the problem, I indicated earlier that we are looking at the whole extended flat rate calling

program, which is related to the boundary problem. We have a caucus committee that will be assisting me in looking at that whole area. I'd be happy to sit down with any MLA or delegation of AGT customers from certain areas, to find out exactly what type of boundary problems they have and to see what costs would be involved in trying to get them changed. AGT is very, very hesitant about getting involved in starting to change boundaries, because it then becomes a massive program throughout the entire province. But it's certainly an area we're going to be looking at very carefully.

MR. R. SPEAKER: Mr. Chairman, to the minister. I appreciate the problem, but has the minister looked at any type of possible system where the customers in an area could either pay a higher rate — in other words, repay a loan over a period of time — or maybe pay off an extra cost? In the two areas of my constituency that are having problems, the cost analysis has been done. We've made representations to the department. We know what it would cost per customer, but we can't change because the policy decision isn't in place to say that we can change the boundaries or deal with the thing. Having a meeting with the minister at this point in time — it's a nice conversation, but it just frustrates the people out there who are dealing with the problem every day. So it's nice to have a meeting with the minister, but I think we have to look at producing something out of that meeting.

But has the minister considered any type of repayment system by the customers, or getting the customers involved? If they really want to change, maybe they're willing to put a few more dollars into the program. Has it been assessed in that sense, or what are the other approaches?

DR. WEBBER: Mr. Chairman, the points the hon. member raises are good ones. As he knows, AGT has looked at the costs involved in particular exchanges where there has been the desire on the part of certain customers to go to another exchange. In some cases, I know the costs have been so prohibitive that the customers wouldn't be interested in paying them.

I have asked AGT to look at the technology to see whether for certain groups of customers who would like to have extended flat rate calling to a different exchange there might be some way at the exchange office, through their electronic switching equipment, in which customers from a particular part of an exchange can have their calls segregated from the other customers and directed to the exchange where they wish to have the EFRC. It may be technically possible for that to occur. However, I've also asked AGT to check out the economic feasibility of such a system, if it is in fact technically possible. So we are looking at a number of ways. I would hope that in the not too distant future we can see if we can improve the system.

Agreed to:

1.02 — Associate Minister —	
Telephones	\$100,849
1.03 — Deputy Minister's Office	\$332,642
1.04 — Assistant Deputy Minister —	
Engineering and Operations	\$65,522
1.05 — General Administration	\$263,018
1.06 — Training and Development	\$96,068
1.07 — Assistant Deputy Minister —	
Finance and Planning	\$104,524
1.08 — Records Management	\$167,109

Total Vote 1 — Departmental Support Services	\$1,244,151
2.1 — Financial Assistance for Natural Gas Development	\$21,712,500
2.2 — Natural Gas Planning and Operations	\$1,697,510
2.3 — Gas Alberta	\$578,126
2.4 — Electric Development	\$2,113,848
2.5 — Rural Utilities Loans and Guarantees	\$1,134,078
Total Vote 2 — Utilities Development	\$27,236,062
Total Vote 3 — Natural Gas Price Protection for Albertans	\$154,102,616
Department Total	\$182,582,829

MR. SHABEN: Mr. Chairman, I move the estimates for the Department of Utilities and Telephones be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again:

Be it resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1981, sums not exceeding the following:

For the Department of Advanced Education and Manpower: \$6,427,610 for departmental support services; [\$472,486,161] for assistance to higher and further educational institutions; \$21,303,226 for manpower development and training assistance; \$12,802,851 for financial assistance to students;

For the Department of Utilities and Telephones:

\$1,244,151, for departmental support services; \$27,236,062 for utilities development; \$154,102,616 for natural gas price protection for Albertans.

MR. DEPUTY SPEAKER: Having heard the report by the hon. Deputy Chairman of Committees, are you all agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: I would like to point out to hon. members of the Assembly that when the committee rises and we go back into the Assembly, all members should be in their own seats. I point that out particularly to the hon. Member for Edmonton Glengarry.

MR. MANDEVILLE: Mr. Speaker, on a point of privilege. As chairman of the Public Accounts Committee, I mailed out notices that the Public Accounts Committee would meet tomorrow at 10 a.m. But in respect to the Hon. Bill Diachuk, his wife and family, I would like to announce that we're going to cancel our meeting for tomorrow.

MR. ZAOZIRNY: Mr. Speaker, on a similar point, as chairman of the Private Bills Committee I would advise that the committee will be meeting at 8:30 in the morning, but it is our hope that we may be able to adjourn at 9 o'clock to allow members to attend the funeral.

MR. CRAWFORD: Mr. Speaker, I thank both hon. members for the announcements they have made out of consideration for our hon. colleague.

With respect to tomorrow's business, it is proposed to deal with Government Motion No. 10 on the Order Paper, and after that to return to Committee of Supply. The estimates of Culture and of the Department of Environment would be what we propose to deal with next.

[At 10 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]