

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, April 30, 1981 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF VISITORS**

DR. BUCK: Mr. Speaker, I would like to introduce to you, and through you to the members of the Assembly, two gentlemen who served this Legislature for many years. First of all, a man who served the constituency of Pembina from 1944 until 1967, a minister and a long time MLA, Mr. Bob Jorgenson. He's accompanied by Ray Reiersen, a member of the Legislature from St. Paul from 1952 till 1971, also a former cabinet minister. I'd like them to receive the recognition of the Legislature.

MR. SPEAKER: I have the honor to introduce two distinguished visitors in the Speaker's gallery: the Hon. John Bannon, Leader of the Opposition in the House of Assembly for the state of South Australia, and Mr. Geoff Anderson, assistant to the Leader of the Opposition. I would ask them and their friend to stand and receive the welcome of the Assembly.

**head: TABLING RETURNS AND REPORTS**

MR. SCHMIDT: Mr. Speaker, on behalf of the Minister of Federal and Intergovernmental Affairs, I would like to table three copies of the communiques from the western premiers' conference held in Thompson, Manitoba.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. KNAAK: Mr. Speaker, it gives me great pleasure this afternoon to introduce to you and my colleagues in the House a class of grade 6 students from Duggan school in the constituency of Edmonton Whitemud, accompanied by their teacher Roger Langevin. I would ask them to rise and receive the warm welcome of this House.

MR. ZAOZIRNY: Mr. Speaker, it's with considerable pleasure that I have the opportunity this afternoon to introduce to all members of the Assembly a group of 30 grade 7 students from the Colonel Walker school in the constituency of Calgary Forest Lawn. Accompanied by parents Mrs. Judy Svarich and Mrs. Jean Sanderson, the group is led by their teacher, Mr. Charlie Gathercole. I invite them all to stand at this time and receive the warm welcome of the Assembly.

MR. HORSMAN: Mr. Speaker, it's my pleasure today to introduce to you, and through you to the members of the Assembly, 30 university students visiting the Assembly. Fifteen of the students are from the University of Alberta, and 15 are from St. Mary's University, Halifax. These students are all on the Canadian studies program and

exchange. We indeed welcome 15 members of our sister province of Nova Scotia to join us today.

I may say, Mr. Speaker, that I am particularly pleased to have the chance to introduce somebody, since people so seldom get up here from Medicine Hat. As well I want to introduce the group leader from Alberta, Sharon Rubiliak, and from St. Mary's, professor Colin Howell. I also wish to point out that I'm pleased that the Alberta group includes the daughters of two of our colleagues: Carol Shaben and Susan Young. Would the group please rise and receive the welcome of the Assembly.

**head: MINISTERIAL STATEMENTS****Department of Environment**

MR. COOKSON: Mr. Speaker, today I am pleased to announce that the Alberta government is increasing the amount of money it will grant to communities for the improvement of water and sewage facilities, with particular emphasis on smaller communities. Essentially the change is being made to recognize that smaller communities do not enjoy the economics of scale that are available to our larger communities.

The government has been assisting local governments for several years through the Alberta municipal water supply and sewage treatment grant program. For the last two years, the upper limit has been \$2,000 per capita for most communities. However, smaller communities often find the costs of their projects far exceed the maximum grant available. To accommodate the smaller communities the grants will now vary according to the population.

The upper limit has been increased to \$2,100 per capita for communities of 600 or more population. Smaller communities will now be eligible for a proportionately larger grant. For example, a village with a population of 300 would have an upper limit of \$3,600 per capita, and a hamlet with a population of 75 would have an upper limit of \$4,745 per capita.

Mr. Speaker, all communities participating in the program will be responsible for the first \$250 per capita, an increase of \$50 from the previous qualifying amount. The government pays 90 per cent of the costs between the qualifying amount and the upper limit.

During the 1980-81 fiscal year, the Alberta government spent about \$68 million to assist 105 communities. While the same number of communities are expected to benefit this year, the total provincial grant should rise to around \$75 million.

Mr. Speaker, proper water and sewage treatment facilities are essential for the protection of health and the maintenance of a sound environment. Alternate methods of sewage disposal, such as the irrigation of farmland with treated sewage effluent, which are now being tried in some southern Alberta communities, will be eligible for assistance under the program. In addition, my department will be willing to consider any other disposal techniques that may be proposed by communities.

Letters will be immediately sent out from my office to all communities in the province outlining the changes in the Alberta municipal water supply and sewage treatment grant program.

**head: ORAL QUESTION PERIOD****Manufacturing in Alberta**

DR. BUCK: Mr. Speaker, my first question is to the hon. Minister of Economic Development. It has to do with the government's so-called diversification of the economy, or lack thereof. In light of the fact that we lost the opportunity to have the LearFan jet in this province, can the minister indicate what stage negotiations are at for the establishment of an LRT manufacturing plant in this province?

MR. PLANCHE: Mr. Speaker, the cities had elected to buy cars from a consortium of Siemens-Duwig from Germany. Edmonton bought them first, and subsequently Calgary did so they'd have multiplicity of inventory. In addition those were the only cars of light rail transit construction that were available and had fare box experience at the time of their purchases. In view of the fact that there is every indication that more cars will be bought over a period of time, we investigated the possibility of having those two companies work in consortium with an Alberta manufacturer to see if a plant could be established here.

The difficulty is that the United States government has a policy where if federal funds are involved, there has to be a certain amount of made-in-America content which precludes economies of scale here for export to the U.S. So it was essential that a minimum car requirement be guaranteed by the government before a plant made sense here at all.

Mr. Speaker, this government's stated policy on LRT is that there will be an experience factor, during which time the economic feasibility of built lines will be considered. On that basis the government is not prepared at this time to make a guarantee of the number of cars that will be required over a period of time to make a plant economically viable.

DR. BUCK: Mr. Speaker, can the minister indicate to the Assembly if he was in active negotiations when he made his announcement that there was a very great change of this plant being built in Alberta, or was he just looking for a headline?

MR. PLANCHE: Well, I wasn't looking for a headline, Mr. Speaker. The government was never a negotiator; it was a catalyst. As a matter of fact, the two parties from Europe and an unnamed party from this province were in advanced stages of negotiation. But as I have already stated, the lack of availability of an export market for economies of scale made the project doubtful. Unless an advance commitment could be made, the plant couldn't be put in place. That's the conclusion we came to.

MR. PAHL: A supplementary question, Mr. Speaker. I wonder if the minister could advise the House whether the possibilities of additional markets in Canada were explored as part of the feasibility of locating the proposed plant in Alberta.

MR. PLANCHE: Of course not having a base to work from, we can hardly be actively and aggressively pursuing potential markets. We were a little surprised to see an Ontario plant selling untried cars to the city of Vancouver, with some substantial financial incentives. We felt that market would have appropriately been available to this

plant had it come to fruition in the future. But that is a limiting factor. As you may know, Bombardier is also able to produce cars, but not light rail vehicles at this time, and to my knowledge have never produced them; they have produced heavier cars. But there was no question that the market for Canadian manufactured cars is limited, and one more entry, such as the Ontario entry, made the thing that much less viable.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Transportation. Can the minister indicate if there were any negotiations between the minister's department and the cities of Edmonton and Calgary indicating to them to hold off their order for cars, in light of the fact that there was a possibility of cars being built here?

MR. KROEGER: No, Mr. Speaker. There has been no negotiation between Transportation and the cities on that basis. The only negotiation or conversation we were into was the possibility of funding further legs of LRT and, as we've suggested, that is based on testing and proving the viability.

MR. NOTLEY: If I may, a supplementary question to the hon. Minister of Transportation. It flows from an answer from the Minister of Economic Development concerning that process of reviewing and testing. What specific assessment is being made of light rapid transit and other types of mass transit in those parts of the world where the world price, or close to the world price, for oil is already being paid, and the impact that sort of thing has on the use of rapid transit?

MR. KROEGER: Mr. Speaker, last June I made a trip to London, England, and spent some time assessing the operations there. On an ongoing basis, we have been monitoring what's going on. The scene appears to be changing. The lines aren't very clear. As an example, you have to think about the decision across the line, in the U.S., that the federal government is trying to reduce further funding for this kind of transportation. So we're weighing this kind of thing.

Beyond that I might just add that we as a department have offered to work with the cities to help them assess not only the operation of their own systems but also to be part of examining and studying what is going on in the older parts of the world where the systems have been working for a long time.

MR. NOTLEY: Mr. Speaker, supplementary question to the minister. This goes beyond the question of the minister making a visit, and hopefully we're not going to use the example of the United States. Will the review of those countries in the world now making extensive use of rapid transit of one kind or another be a formally commissioned review, or will it simply be a case of politicians dropping over? Are we going to have a study commissioned?

MR. KROEGER: Mr. Speaker, what we're doing as a department is offering to have support people, planning people, from our department work with planning people from the cities — not the mayor or the Minister of Transportation, but the people who are actively involved in the planning and development — to go over and do the proper assessment. Just as an editorial comment, it's a little difficult to make the comparison, keeping in mind

that the two cities in Alberta are relatively small. So the comparison has to be done with care.

MR. NOTLEY: Mr. Speaker, a supplementary question. In light of the government's commitment to higher prices for oil, is the minister in a position to give the House any timetable when this review will be completed and when in fact we may expect the government to have a more definitive policy with respect to rapid transit? What commitment is there to a timetable to make a policy statement on rapid transit?

MR. KROEGER: Well, Mr. Speaker, in a meeting I had a short time ago with the mayor of Edmonton, he indicated to me that they as a city would like to do this kind of assessment. At that time I offered the services of our own engineering people, and he was taking that back as information. The decision when the city would like to start this kind of assessment will have to come from them, but we're prepared to help.

DR. REID: Mr. Speaker, a supplementary to the Minister of Economic Development. In view of the apparent willingness of the federal government to bribe the city of Vancouver with \$60 million to support a new industry in Ontario, is there any future possibility of building light rail rapid transit cars in Alberta with only the Alberta market available?

MR. PLANCHE: Mr. Speaker, I can't make a very good economic judgment on a private sector investment like that, but it would appear that you're talking in the order of 150 cars over 10 years minimum in order to make it fly. That may even require some extra funding by the cities that are the customers. So it's pretty 'iffy' over the longer term, unless we could develop an export market.

While I'm on my feet I'd like to respond to the initial volley of the acting Leader of the Opposition about LearJets. The LearJet capability was under option to Canadair until July 1, 1979. It was cancelled at that date. Fourteen days later we were at a meeting with them, and four days after that the republic of Northern Ireland offered sufficient incentives to move them.

The member may know also that since then, we've made an offer to be involved in the R and D of composite technology with them, and that's not been acknowledged by Lear.

Finally, it's also appropriate to mention that the pleasure and personal aircraft market has been fairly 'iffy' since the economies of North America have not been as spectacular, and since the advent of higher fuel prices.

MR. KNAAK: A supplementary, Mr. Speaker, to the Minister of Economic Development. In order to understand the magnitude of this proposed plant for building light rail transit, if it does go ahead, can the minister advise what the capital investment would be in such a plant if it produced 150 cars over 10 years, and what the annual employment would be?

MR. PLANCHE: I can't give a precise number because that was part of a private conversation of which I wasn't a part. But as I recall, the employment was in the neighbourhood of 120.

MR. SPEAKER: May this be the final supplementary on this question.

MR. SINDLINGER: Mr. Speaker, my supplementary question is to the Minister of State for Economic Development — International Trade. Could the minister indicate what role, if any, his department played in the LearJet decision?

MR. SCHMID: Mr. Speaker, because of the involvement of the United States, specifically California, in that aspect, we travelled there to look at the development of the LearFan jet. All they really had at the time was a mock-up of the outer frame, which was included in the advance composites design, and the proposal that Alberta could finance or guarantee the loan of development if Canadair would give up the option of producing that LearFan jet. At that time we were also aware that they were in fact negotiating with Ireland because on the same trip we went back to Canada on, the delegation from Lear went to Ireland to negotiate further for the guarantee of their program with the United Kingdom.

That was the involvement of our group that went to Reno to look at the development of the LearFan jet.

MR. PLANCHE: Mr. Speaker, if I may, my colleagues have advised me that Northern Ireland is not a republic.

DR. BUCK: Mr. Speaker, I'd just like to ask one short supplementary to the Minister of Economic Development or the Government House Leader. Does the venture portion of the Alberta Heritage Savings Trust Fund have sufficient flexibility that when projects such as this come along, funds can be guaranteed to firms that are in a situation such as the LearFan jet or the LRT project?

MR. PLANCHE: Mr. Speaker, there is no venture portion in the Heritage Savings Trust Fund. We have done some guaranteeing in the past, but it's been outside the realm of the Heritage Savings Trust Fund purview. Since the Lear initiative, we now have a division that can participate in an underwriting by a third party for corporate bonds. That may have been applicable, although my information is that at the time the Lear Corporation was here it was in reasonably shaky financial circumstance. That's subject to correction if I'm wrong.

#### **Sulphur Handling**

DR. BUCK: Mr. Speaker, my second question is to either the Minister of Environment or the Minister responsible for Workers' Health, Safety and Compensation. This is to do with the loading and unloading of bulk sulphur. Can either minister indicate what monitoring is in place when large volumes of bulk sulphur are loaded or unloaded from railroad cars?

MR. DIACHUK: Mr. Speaker, I would have to take that question as notice because of the fact that a lot of the jurisdiction involved with the railroad transportation falls under the federal Minister of Labour. Most of the time, the provincial officials are involved in an advisory capacity. I couldn't answer that in more detail at this time.

DR. BUCK: Mr. Speaker, the minister is indicating that he is not in a position to answer if there are any safeguards whatsoever in the handling of dry sulphur when it's being loaded and unloaded.

MR. SPEAKER: The hon. member is asking for something which apparently is under federal jurisdiction.

DR. BUCK: Mr. Speaker, the handling of materials is certainly under the purview of the minister. Let's not waffle around with that. That's what his department is set up to do.

MR. SPEAKER: With great respect to the hon. member, the question was asked in the context of loading and unloading railway cars. If it relates to the handling of bulk sulphur otherwise under provincial jurisdiction, then of course the question is in order.

DR. BUCK: Mr. Speaker, then maybe the hon. minister can indicate what safety advice or programs workers have for unloading federal cars in the province of Alberta. Can the minister indicate what safety mechanisms are in place to protect Alberta workers?

MR. DIACHUK: Mr. Speaker, The Occupational Health and Safety Act applies to all workers in Alberta. However, I've indicated earlier that I would take that question under notice because the question did lead, and the supplementary was with regard to loading and unloading railway cars. Again I reflect and repeat that those fall under the jurisdiction of the federal Minister of Labour.

DR. BUCK: Mr. Speaker, to the hon. Minister of Environment. Can the minister indicate what monitoring procedures are in place to find out if sulphur goes into the air when this is being loaded or unloaded? What monitoring mechanisms are in place?

MR. COOKSON: Mr. Speaker, if it's a matter of an operation of a plant, the Department of Environment has a licensing procedure. As part of that licensing procedure, we would require certain things to be done or not done. In addition we would monitor the air.

If the question deals with loading or unloading where licensing does not apply, that is mobile units, I think you're into an area in which we don't have jurisdiction. The only way in which our department would become involved would be that if there were a spill, under our legislation they're required to report to us. Disaster Services, under Municipal Affairs, is also involved. We would immediately be called on the scene to deal with clean-up and handling of the spill.

MR. SCHMID: Mr. Speaker, may I supplement the answer of my colleagues, since sulphur loading does involve international trade, in fact offshore exports. Maybe I should explain that during the time I was involved in the sulphur business, sulphur was literally broken by big Cats from the big bulk squares of sulphur. That really created dust and in fact explosion problems. But lately, because of the development, patenting, and construction of prilling, slating, and pelletizing plants, this sulphur dust has been so much removed that the sulphur loading process, even on to the ships in Vancouver harbour and off-loading in other countries, is now much less of a hazard than it was.

DR. BUCK: I don't care what they're doing in Vancouver, Mr. Speaker. The question was what they are doing in Alberta. My question to the Minister of the Environment: in light of the fact that we don't have an environmental ombudsman in this province anymore, what opportunity, avenue, or mechanism is in place for the ordinary citizens of Alberta to indicate to the Department of Environment

that there is a problem or a potential problem? What avenue is open to individual citizens of this province?

MR. SCHMID: Mr. Speaker, I was saying that this pelletizing and slating has removed the dust and explosive problems of sulphur.

DR. BUCK: He hasn't unloaded sulphur quite often, Mr. Speaker, so he wouldn't know. And my question's to the Minister of Environment.

MR. NOTLEY: He's trying to think of an answer. Give him time.

MR. COOKSON: You see, I've got an environmental ombudsman responding.

Again, Mr. Speaker, I think the Member for Clover Bar is repeating his question. I think I've explained to him where our jurisdiction lies. The Minister responsible for Workers' Health, Safety and Compensation comes into the jurisdiction where it involves worker health and safety. Under their legislation, they operate compensation. I have no problem with the jurisdiction which falls under my supervision. Insofar as spills are concerned, we're called in on those and, if we have to, we exercise under the Clean Air legislation. But when it comes to worker health and safety, I really have to refer it to my colleague.

MR. SCHMID: Mr. Speaker, on a point of order. I think you should inform my hon. colleague from Clover Bar that I was probably responsible for loading more tons of sulphur than he has pulled teeth.

DR. BUCK: Not lately, Horst.

MR. SINDLINGER: Mr. Speaker, my supplementary is to the Minister of Environment. What studies are going on now with regard to monitoring sulphur dusting at gas plants throughout the province? The reason I ask that is that about 20 million tons of sulphur are stockpiled around the province, and at one time in the last 10 years the minister's department actually stopped the loading of sulphur cars because of the dust. I might also add that another reason they were stopped was ...

SOME HON. MEMBERS: Question.

MR. SPEAKER: The hon. member is certainly entitled to some leeway in asking his question, but he's taken a considerable amount of leeway in making an announcement in addition to that.

DR. BUCK: It's quite obvious that you have to educate these ministers, Mr. Speaker.

MR. SPEAKER: Possibly if hon. members wish to give lessons, they might do it outside the question period.

MR. COOK: Mr. Speaker, can I ask a supplementary question of the minister?

MR. SPEAKER: I believe we haven't given the hon. minister to deal with the question by the hon. Member for Calgary Buffalo.

AN HON. MEMBER: What was the question?

MR. COOKSON: Mr. Speaker, I was having trouble determining what the question was. There were a lot of innuendoes and supplementary observations. If I understand the member's question, he was inquiring as to what monitoring we have in place insofar as gas plants in the province are concerned. All plants are licensed under our jurisdiction. All have standards which they have to meet in terms of SO<sub>2</sub> emissions into the air. We have 200 or 300 monitors. We do our monitoring ourselves. The industries themselves monitor. They are required to report to us twice monthly, or whatever is required in the licence. If we find them exceeding to a large degree — or consistently, let's put it that way — then we immediately meet with company officials to deal with the problem.

MR. SINDLINGER: Mr. Speaker, in a supplementary, may I please try to be a little more specific. I'm not asking with regard to sulphur dioxide emissions from gas plants, rather: is your department continuing to monitor soil leeching around gas plants from sulphur stockpiles, which it did in the earlier 1970s and which led to stop orders for sulphur loading and unloading at gas plants?

MR. COOKSON: Perhaps the Minister of Agriculture might like to get in on this issue dealing with acidity of the soil. We have an ongoing testing service across the province, in co-operation with Agriculture, to determine in the long term whether any major impacts are being felt by the land itself. We carry out an ongoing study and continue to do it closely with Agriculture. They're also involved in that a large number of fertilizers used today contain sulphur and could impact the pH of soils. So we work closely on it.

MR. SINDLINGER: A final supplementary, please. Could the minister indicate whether or not the department has done any tests on dusting levels, compared to old sulphur loading methods and those outlined by the Minister of State for Economic Development — International Trade?

MR. COOKSON: Perhaps I could take that as notice, Mr. Speaker. Some comparisons may have been done. I'll provide that information.

MR. COOK: Mr. Speaker, I wonder if I could direct my supplementary question to the Minister of Advanced Education and Manpower. Would he consider offering some remedial government course to members of the opposition so they could ask intelligent questions?

MR. NOTLEY: Give him a few more years — about 30.

#### Employment Programs

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Labour. Is the minister in a position to advise the Assembly whether he has changed his position on affirmative action, a rather well-publicized position of recent note. Has the government changed its position in light of statements by Mr. Gordon Fairweather, Chief Commissioner of the Canadian Human Rights Commission and a former Tory MP, who described those who oppose affirmative action programs as "the forces of reaction"?

MR. YOUNG: Mr. Speaker, in responding to the hon. Member for Spirit River-Fairview, I don't really think it's

my role to either apologize for or explain what the director of the Canadian Human Rights Commission says. I don't have and never had a position of being opposed to affirmative action. In most cases I don't know what it means when people use that expression. I have stated — and stated at a number of meetings, several within the last four weeks — that the position is for the removal of all forms of discrimination, intentional or unintentional, which can be systemic discrimination, and that over and above that, the objective of government is to achieve meaningful employment for all citizens of the province; that in order to do that, special support programs would be necessary; that we should go about engaging in these programs, and that they should be directed at areas of deficiency that cause problems for the individual who isn't able to fully participate in employment. That is still my position. I prefer to express it in the positive and specific sense rather than, if I may be forgiven the expression, a very loose phrase which in my exploration with groups has a variety of meanings, everything from reverse discrimination to quota systems and all that implies.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister responsible for Personnel Administration, flowing from the answer of the Minister of Labour about special placement programs and the government's announcement over a year ago that three staff members would be hired to promote native hiring and training within the 26 departments of government. What progress has been made by the department in engaging those three people who the government announced over a year ago would be engaged?

MR. STEVENS: Mr. Speaker, we are in the process of appointing a candidate for the director of the three. We'll be seeking the other candidates as soon as that appointment has been made.

MR. NOTLEY: Mr. Speaker, a supplementary question. In view of the fact that the statement, and the headlines, was made well over a year ago, and we had a discussion in the Legislature last spring about all the special placement policies of this government, why has it taken over a year since the announcement was made to get the process under way of actually appointing a person?

MR. STEVENS: Mr. Speaker, it's a program that we have every reason to believe would be positive and good. But I think it's incumbent upon the government to ensure that it has the best candidate for that position. We have been very successful in the other two programs started in 1975 and 1977. I'm confident we will continue to be successful with this program.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. I'm sure we all share that hope. However, why was the process of recruiting not gotten under way when the announcement was made? Why are we only now advertising? What happened in the last year that we didn't get into action on this?

MR. STEVENS: Mr. Speaker, I think I've answered that question. We were endeavoring to find the best candidates and of course select from those the best one we could find.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister telling the House that in fact the government has already gone through and assessed candidates at this stage? It's my understanding that we are just now advertising. Why has it taken more than a year from the time the announcement was made to get anything moving?

MR. STEVEN: Mr. Speaker, I believe I've answered that question. We have endeavored to find the best candidate, and that's what we will do.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has there been any discussion with native organizations in the province by the government, the minister's office, or anyone representing the government of Alberta? In the last year has the minister taken any initiative to discuss with native organizations possible people who could fill these positions, promised now for lo, these many months?

MR. STEVENS: Mr. Speaker, the position and the thrust of the program are intended to ensure that no candidate for employment in the government is denied access to the opportunities, to ensure that the qualifications of candidates are not — all those systemic barriers that my colleague has discussed are considered. So it's much more than simply meeting with the native organizations. It includes advertising program review and reviewing the classification standard. So it's more than meeting with the native organizations. However, consultation has taken place with my colleague the Minister responsible for Native Affairs.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister responsible for Native Affairs. Considering the importance of this issue and the publicity it was given by the government, what steps has the minister taken? Is the minister in a position to outline to the Assembly this afternoon the formal meetings the minister has held with native organizations, to facilitate the appointment of these three people, promised now for more than a year?

DR. McCRIMMON: Mr. Speaker, I can't speak for the Minister responsible for Personnel Administration. With respect to my own department, at the present time I have had the native personnel increased to 50 per cent. We are now advertising for several more positions. When those positions are filled, I expect that within my department the native personnel will run to two-thirds of the personnel.

With respect to the pattern laid out by my colleague, I'm very supportive of it. Hopefully we can get some more people from the native sector into government services. I think it's a good program.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The question is not what the situation is in the department the minister heads. That's fine, and well it should be. The question is: what steps has the Minister responsible for Native Affairs taken to facilitate the appointment of the three people who were to undertake, if you like, the positive program that the Minister of Labour keeps telling us, as far as placement and training of natives is concerned in the 26 departments of government, including the minister's?

MR. YOUNG: Mr. Speaker, I think there's a mite of confusion. I'm not talking just about the government services. The program and policy I have described I hope would be applied in the private sector as well as government services. It's just plain common sense that we should strive for a program which is effective in involving persons who aren't meaningfully employed, either at the capacity they could be or aren't employed at all. We should work to remove those deficiencies. I see it not a great deal differently from the special programming that was provided for veterans of the Second World War when they came back.

So, Mr. Speaker, as far as I'm concerned, I think it applies broadly and shouldn't be interpreted, as the hon. member opposite seems to be trying to do, as having application only to natives and government.

MR. NOTLEY: Mr. Speaker, a supplementary question. Quite the reverse. Bearing in mind what the minister just said about involving everybody but especially the private sector, what kind of example is this government setting for the private sector when with great ballyhoo . . .

MR. SPEAKER: Order please. Obviously an excellent introduction for a debate. It would be a shame to waste it on the question period. Perhaps the hon. minister could put it on the Order Paper.

MR. NOTLEY: Mr. Speaker, perhaps I could rephrase it. I wouldn't want to be argumentative. [interjections] With respect to these positive kinds of placement programs the minister has referred to, what review has been undertaken by the government of the impact on the private sector of an announcement by the government of action being made one year but no action being taken even a year later?

MR. YOUNG: Mr. Speaker, as the hon. member knows, that kind of question is clearly a matter of opinion. I would just like to indicate to him for his information, without the ballyhoo that seems to be evident in some of the questioning this afternoon, that the Alberta Human Rights Commission and officers from my staff met with leaders of the construction industry — the owners, contractors, and the senior union representatives — just a matter of three weeks ago, when we reviewed this whole programming area and some of the challenges in it from the point of view of the commission, the private sector, and the government. I think it was a very constructive meeting. I've had very good reports back from it. I was personally present and presided over the meeting. It was done quietly, Mr. Speaker. Maybe I should get a trumpet and announce it so that in future the hon. member may get reports on it.

#### Exports to Israel

MR. MANDEVILLE: Mr. Speaker, my question is to the Minister of Economic Development — International Trade. Has the minister or anyone from his department met with officials of Israel with regard to selling Alberta coal to Israel?

MR. SCHMID: Mr. Speaker, a couple of months ago, in fact three months ago now I think, Mr. Baruch was here discussing the possibility of Alberta exporting coal to Israel. However, at the time, and of course now, the potential of exports of coal to other countries, including

Israel, is not provided for due to transportation difficulties, and in fact our mines have to be opened to avail ourselves of the opportunity.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Does the minister plan to send a delegation to Israel with regard to marketing Alberta coal?

MR. SCHMID: Mr. Speaker, the intention of sending a mission to Israel to discuss not only the marketing of Alberta coal but also other prospects is definitely in our plans.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister met with officials of British Columbia to see if they could work out a deal to market B.C. and Alberta coal to Israel?

MR. SCHMID: Mr. Speaker, the overall development of our coal potential in the export market is presently being discussed. I think my colleague the hon. Minister of Economic Development could further answer that, because I think he may have had discussions with his colleague Mr. Phillips in British Columbia.

MR. PLANCHE: No, I can't make any more comments on that, Mr. Speaker.

MR. MANDEVILLE: A final supplementary question, Mr. Speaker. I understand Israel is looking at setting up a trade office some place in western Canada. Has the minister approached officials in Israel to see if they would set up a trade office in Alberta?

MR. SCHMID: Mr. Speaker, no we have not, one of the reasons being that the total export from Alberta to Israel is rather small. In fact in '79 I understand it was only about \$35,000. There are other provinces, for instance, Ontario, which have a much higher export potential to Israel, excepting coal.

MR. SINDLINGER: Mr. Speaker, a supplementary. Could the minister be a little more specific please, and identify what the transportation difficulties were that impeded the negotiations?

MR. SCHMID: Mr. Speaker, the transportation difficulties are that where the coal is presently being found, no transportation is available to export the coal — in this case, to Israel, or for that matter 10 million tons to Italy. Not only that, first the coal has to be produced and the mines have to be opened. These are all matters of negotiation. That is why we presently have under study the feasibility of a slurry pipeline from Alberta to the coast.

MR. SINDLINGER: A supplementary please, Mr. Speaker. Could the minister indicate what stage the slurry pipeline study is at, and if it would be made available to members of the Legislature when it is completed?

MR. SCHMID: Mr. Speaker, I understand it is expected to be completed by June. Whether it will be available to the Legislature of course depends on when the outcome of the study comes and if the Legislature is in session at the time.

MR. SINDLINGER: A final supplementary please, Mr. Speaker. Could the minister please indicate what routes

are being considered for a slurry pipeline and what volumes or tonnages are being considered as well?

MR. SCHMID: Mr. Speaker, in fact the feasibility study is looking at the routes or the possibilities of where the coal could be taken from to be the most marketable economic factor of the export of coal to other countries.

MR. SPEAKER: Does the hon. minister wish to deal further with something arising from question period?

MR. PLANCHE: Yes I did, Mr. Speaker. Because it's so important, I want to supplement my colleague's answer in terms of the capability of the transportation system. Our forecasts are that by 1985 the shortfall could approach 8 million tons a year going west from here. It's our responsibility to look at alternative modes to move commodities economically and competitively. The slurry pipeline study was initiated for that reason. Of course we are also looking to shipping coal east, possibly through Churchill.

DR. REID: Supplementary to the minister, if I may, Mr. Speaker. Is the shortfall of 8 million tons he mentioned in spite of any improvements to the CP track through the Rocky Mountains and the other ranges and in spite of the proposed twinning of the CN track from Edmonton to Red Pass Junction?

MR. PLANCHE: Mr. Speaker, forecasts are never very precise, but they do serve to limit options. The forecasting we've done includes twinning from Red Pass Junction to Edmonton and Red Pass Junction to Vancouver, as well as the completion of the CPR Beaver Tunnel.

## ORDERS OF THE DAY

MR. SPEAKER: May the hon. Member for Three Hills revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MRS. OSTERMAN: Thank you, Mr. Speaker. It's with a great deal of pleasure that I introduce two separate groups of young people from the constituency of Three Hills: fine young Cubs and Scouts led by the Cub leaders Dick Farmer, Henry Peters, and Ann Peters, and the Scout leaders Ron Bozzer and Charles Bathurst. They're from the community and the village of Acme. Would they rise and receive the warm welcome of the Assembly.

### head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, in dealing with the question of Motions for Returns, I wonder if I could ask the Acting Leader of the Opposition whether he is prepared, in the absence of the Leader of the Opposition, to provide the amendment that has been agreed upon with respect to Motion for a Return 118 or whether he would prefer to have it stand over until the leader returns.

DR. BUCK: Yes, Mr. Speaker, I'd like the hon. Acting Government House Leader to hold it over.

MR. HORSMAN: Thank you. Then, Mr. Speaker, I move that Question 111 and motions for returns 113, 116, 117, and 118 stand on the Order Paper.

[Motion carried]

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

214. Be it resolved that the Assembly urge the government to consider making public its policy on the Crowsnest Pass freight rate as was promised in the Assembly by the Minister of Agriculture and by the Minister of Economic Development.

MR. SINDLINGER: Mr. Speaker, the question of the Crowsnest Pass freight rates is very important to the province of Alberta, given the fact that agriculture is our most important activity. I've spoken on this subject before, and I've made the point several ways. However, today in the province there is some confusion as to where the provincial government stands on this matter, and that's the purpose of this resolution. Since we have only a very short time to spend on the subject, I'm going to sit in my place and, along with other people in the province, wait for a response from the government.

MR. SPEAKER: Do I take it that the hon. member has moved the motion?

MR. SINDLINGER: Yes, sir.

MR. THOMPSON: Mr. Speaker, I would like to speak to this motion. It's always a delight to get up and take another shot at the Crow. It's one of the national pastimes here in Alberta. Another thing I like about this motion today is that this is not our jurisdiction. At this time in our history, we're always worrying about the BNA Act and provincial jurisdiction and several things like that, but this area is completely under the jurisdiction of the federal government. Therefore we can have a policy, we can advise, but they are the ones who implement any changes in the rate.

I think the thing that causes people to get more and more interested in the Crow rate is the so-called Crow gap. That probably has been basically caused by the kind of inflation we've had over the last 10 or 15 years. It's growing and growing and growing. I'd just like to give you a few figures on what I consider the Crow gap is. What happens with the Crow gap is that you have your Crow rate, and the railroads get about \$135 million of income from that a year. Then you have the federal government giving out a branch line subsidy of \$200 million. But then there's a shortfall between the actual costs and the income received, Mr. Speaker. This is increasing at a terrific rate.

I'd like just to give the members some figures. I've said this in the House before, but some people don't have quite as long an attention span as others. The shortfall in 1974 was \$157 million. In 1977 it was \$239 million. In 1980 it was over \$300 million. The projection of these figures is that in 1985 it's going to be around \$0.75 billion, and that's just at the present time. If the Wheat Board reaches its goal of exporting close to 30 million tonnes of grain a year, the shortfall will be \$1.2 billion. I don't think any reasonable man or lady here in the Legislature would expect the railroads to pick up the

difference. And of course they don't, because there's a certain amount of cross-subsidization on other bulk commodities being shipped by the railroads. So they don't pick the total thing up that way. Other people pay, and many of them know it very well. So this is one of the problems we have with the Crow rate, and some kind of solution has to be made to it.

I think we're approaching a crisis in this area, Mr. Speaker. We all know — especially the hon. Member for Calgary Buffalo, because he's very expert in this area — that there's increasing traffic on the railroads. If there's not a more reasonable return to the railroads for grain, it is going to become a second-class commodity. It is today to a great extent anyway, but it'll become even more so. And the farmer is going to suffer. So obviously we're going to have to do something in the area.

Now we all have solutions for it. The federal government's solution is just to sit and ignore the problem. We have the Hon. Hazen Argue, the minister for Saskatchewan, representing the people of Saskatchewan.

AN HON. MEMBER: He got appointed.

MR. THOMPSON: Well he's still representing them in the federal cabinet, Mr. Speaker, whether he was appointed or elected. He's running up and down Saskatchewan, hearing what he wants to hear. He says, no change in the Crow rate. The Liberal government, of course, is happy to go along with that. We have the Hon. Bud Olson, our Alberta representative in the Liberal cabinet. He's our contribution.

AN HON. MEMBER: He's not ours.

MR. THOMPSON: He's really not making much of a case for the Alberta livestock producers, from anything I've ever heard him say up to this point. Anyway, there's always hope.

I would like to get on to what the resolution says:

... that the Assembly urge the government to consider making public its policy on the Crowsnest Pass freight rate as was promised in the Assembly by the Minister of Agriculture and by the Minister of Economic Development.

Mr. Speaker, I'm very puzzled to have the Member for Calgary Buffalo bring this motion forward. The policy has been public over at least a year that I know of. Maybe for his benefit, if he has a pen there, I would state the policy for him.

Producers are to retain the Crow benefit. That's part of our policy. Number two, the railways should receive adequate revenue for moving grain. Number three, any change in the rate formula is to be legislated and regulated. Number four, any rate change must be accompanied by clearly defined steps to improve capacities and efficiencies. Number five, the livestock and processing sectors are to be allowed to achieve their full economic potential, recognizing the present loss of natural advantage of local feed grains and grazing capacity because of freight anomalies. I think this has been public for at least a year, and possibly two years that I know of, so I cannot understand why the member feels that the government has not stated its policy on the Crowsnest rates.

Now maybe for just a few minutes, I'd like to go over those points. Number one, producers are to retain the Crow benefit. I don't think the government has to feel defensive on this point, and for these reasons: right now in Canada, there's a real maze of subsidies to transporta-



tion in various forms. We even have it here in our grain transportation policy with the branch line subsidy. But we can use other examples. We can look at VIA Rail, the passenger service they have. The last I heard — I'm sure it's up by now — they were losing over \$300 million a year, or they were subsidized to that effect. We also have the St. Lawrence Seaway. That seaway is to the benefit of all Canada, but it loses money too. It seems like that's one of our natural assets here: anytime we do anything, we lose money.

I'll give a really good example of something that is a vital cog in our economy, the Mirabel Airport. Every person who steps off the plane at Mirabel Airport is subsidized to \$30 by the federal government. So I don't think the provincial government or the western provinces or anyone else has to feel defensive about the fact that the federal government should consider picking up what we call the Crow benefit; that is, the difference between the actual cost of transporting grain and the actual income the railways get today.

I'll go on to number two, which says the railways should receive adequate revenue for moving grain. Well, I think that's pretty self-evident, Mr. Speaker. If they don't — and they haven't in the past — what's the result? The result is a deterioration of the system. The rolling stock wears out; they have a great reluctance to replace it. In the end, the farmer or the producer suffers because the grain just does not get to market. You know, times have changed in agriculture. It used to be that you couldn't sell your product. Now you can sell it if you can just get it to tidewater. We have just plain got to face this factor.

We the provincial government must realize that this is a complex thing. I mentioned just a little bit ago that we should really take a look at grain transportation in the context of a total transportation policy in western Canada. Grain is a bulk commodity just like coal, sulphur, potash, and lumber, for instance. So this whole freight problem affects every one of the western provinces. The grain farmer may feel that he's getting a free ride or a free lunch. But basically when you take the total picture, and take a look at what's happening to the coal people, the sulphur people, the railroads are leaning on these people as hard as they can — well, I'll say this, they're charging what the traffic will bear, and in many ways they are subsidizing the grain rates. I don't think it can continue to any more degree than it's doing today. Obviously the railroads should receive adequate compensation for carrying a commodity, whatever it is.

Now, the number three point, any change to the rate formula is to be legislated and regulated. I have no real problem with that. If we're going to achieve any type of stability in grain rates, I think they have to be set in legislation and they have to be set down in regulations, so there is not a year to year or government to government change in them. To keep any kind of stability in the industry, they have to be able to project ahead of time just what some of the costs are. So there's no problem for me in that area.

Number four, any rate change must accompanied by clearly defined steps to improve capacities and efficiencies. I think most everyone here will realize that the railroads don't have the confidence of the general public in western Canada that maybe they should have. There's no doubt it really gives an incentive to the railroads to improve if it's tied in on a basis like that. If they can see that by getting an increase in rates, and justify their increases by upgrading the system, there's more incentive for them to my point of view it really does keep the

railroads honest, and many of us would be a lot happier with that.

Number five, the livestock and processing sectors are to be allowed to achieve their full economic potential, recognizing the present loss of natural advantage of local feed grains and grazing capacity because of freight anomalies. You know, Mr. Speaker, this is probably the most important one of them all. The way I interpret that is, we're basically against the feed grain assistance program because it has really cost western Canada, and especially Alberta, a very big economic advantage.

I don't know for what reason, but in Alberta we have traditionally been a livestock related group of farmers. I suppose the history of farming in this country started with ranching, and we've always had a certain affinity for the livestock sector. We raise over 50 per cent of Canada's feed grain. I think it was 65 per cent last year, but that was a bad year in other areas. We consume about 60 per cent of what we raise. So in Alberta we are really tied into the livestock sector, and we have natural advantages because of those things I mentioned. But with the feed freight assistance program, those advantages are being eroded. It's no secret to anyone here, I don't think, that in Ontario, Quebec, and even British Columbia, they are given a certain advantage. And, give them credit, they're taking advantage of it. They are getting more and more into livestock production.

So as far as Alberta is concerned, from my point of view at least, I honestly think that as one of the bigger areas — and we also have things like a rapeseed processing industry and dehydrated alfalfa plants. To me at least, it's of real importance that we get out of this area and let the natural factors of the economy of the country work in their natural state.

Thank you for your attention, Mr. Speaker.

MR. MANDEVILLE: Mr. Speaker, I want to congratulate the mover of this motion, not for the content but for his brevity. I think the Crow rate is something important that we have to deal with. As the old saying, it's as old as the hills. We've been dealing with it since 1897. It's by statute. It's something like the constitution we're dealing with now, the British North America Act: we've been dealing with it and not able to come up with any solutions. We've had studies and decisions — haven't had any conclusions. But I agree that everybody is concerned. The Prime Minister of Canada, Pepin, Hazen Argue: the whole gamut is working on a solution to the Crow rates.

I agree with the five points the hon. Member for Cardston told us about here, with regard to improving our Crow rates. I want to say only one thing, Mr. Speaker. I'm certainly not going to be an ally for the Canadian Pacific railway. I think that if any of us members of the Legislature have an agreement, we have to adhere to it. It's not a result of the Crow rate. As well as the Crow rate, they've got a lot of benefits in many different ways. I'm certainly one who doesn't want to let the rail companies off the hook.

I agree that we have to retain the benefits, but who should pay the benefits? Should it be the farmer? Should it be all Canadians? I think part of the benefits should be absorbed by the people we have the agreement with. We have the agreement with Canadian Pacific railway, and I think they should be responsible for picking up some of the benefits that should go to the farmer. I agree that the farmers should have every benefit that's coming to them.

I certainly have to agree with the other points the hon. Member for Cardston pointed out. I'm going to be the

first to say that there are pitfalls in the Crowsnest rate, and there always have been. I can appreciate that the CPR, or even the CNR, isn't going to transport our grain satisfactorily so long as they're losing money doing it. What it's doing is discouraging the food industry in western Canada, because it's promoting the manufacturing of our agricultural products down east. Ontario promotes this. They've always promoted the Crow rate and wanted to hang onto it, because they have great benefits as a result. The beef producers in Alberta have certainly suffered as a result of the Crow rate. What are our packers doing? A lot of them are going down east. They can move feed and our cattle down there. What happens in the west? We can't promote anything like this in the west.

Another area that disappoints me with our rail companies is that they were given the natural resources for 20 miles to supply spur lines to transport our grain out of western Canada. What's happening? Have you gone to some of those hearings? I've attending some of the hearings, and I get very upset with some of the input we get there. They agreed on some of the deals we gave them. They agreed to put the spur lines in and transport our grain. I think they should be held responsible to do this.

Those big tracts of land were given to the Canadian Pacific railway by John A. Macdonald. I happen to come from a constituency where the Eastern Irrigation District owns 600,000 acres that the CPR turned over to them. In 1935 a group of farmers from the Eastern Irrigation District went to Ottawa and negotiated a deal. Do you know what happened? The CPR turned over the 600,000 acres to the Eastern Irrigation District. They weren't operating them efficiently. They gave the farmers of the Eastern Irrigation District \$300,000 to take it over. They couldn't operate it efficiently. The only thing they didn't turn over to the farmers was the natural resources, and they take millions and millions of dollars out of there. If the Eastern Irrigation District delegation had spent another few days negotiating, possibly we could have got the natural resources. Then possibly we could buy out Alberta, just take over Alberta. We would have had a heritage trust fund similar to Alberta's.

Mr. Speaker, maybe this is something we should take a really good look at. They have the transportation system. They say they're losing money transporting our grain, and I agree they're losing money. But they had an agreement with us to transport it. Maybe the federal government should be negotiating a deal to take over the rail system, the same as the farmers in the Eastern Irrigation District did. Maybe they should be paying some benefits to the federal government in order to take it over. It's not only the Crow rate, it's the full transportation system that is involved in this as far as transporting our grain is concerned. We gave them big tracts of land. I can recall the city of Calgary at one time not getting any revenue from the CPR or the Palliser Hotel. Also there are no taxes on their depots all across Canada. They got the right of way free to put this in to provide this service to us in western Canada. I think it's incumbent on the federal government to negotiate with the CPR and come up with a deal to provide the Crow benefit to the farmers in the province of Alberta.

I would like to say that I think four of the points of the hon. Member for Cardston are good. The only one I disagree with is letting the rail companies off the hook. I'm the first to say that we have to have the federal government negotiate a deal and see that they get the

benefits and that the CPR and the CNR pay their share of the revenue.

MR. NOTLEY: Mr. Speaker, in rising to participate, during the course of debate on the motion put forward this afternoon by the hon. Member for Calgary Buffalo, I hope the Minister of Agriculture and the Minister of Economic Development will take the occasion to clearly state the position of the government of Alberta on this matter. The province of Saskatchewan has made its position unequivocally clear. The province of Saskatchewan favors the retention of the Crow rate and is strongly of the view that as a result of the very significant public investment that has recently been made — not only by that province but by our province, Manitoba, the federal government, and farmers themselves, through the Wheat Board — it is simply not justifiable to let the railroads off the hook.

It's my submission that in the long run the two railroads in this province have to be brought into one integrated, publicly owned system. I think that's the only way we can have a rational and effective railroad policy. Elsewhere in the world, most of the countries that are doing best have recognized the importance of an integrated, publicly owned transportation system.

Mr. Speaker, there's absolutely no doubt that there is an enormous amount of subsidy in the transportation system. That's going to continue. The question really is: are we going to maintain Crow rates which were part of an historic bargain? The hon. Member for Bow Valley talks about letting the railroads off the hook, and well he might. Because I think it is rather disgraceful to have the railroad, particularly the CPR, coming to westerners and saying, while we've made a deal, we would like to be able to evade the part of the deal where we lose money. We're not offering to give up the lands that were part of the deal, or the revenues from an empire that has been built largely because of the freebies that were associated with the construction of the CPR in the first place: we don't want to get out of that part of the deal. We only want to get out of the portion where we think we're losing a little money.

You know, Mr. Speaker, it's worth looking at our own province. In Alberta approximately 13 million acres of freehold are owned by the Canadian Pacific railroad. In this province we aren't able to collect a royalty on freehold. We have a freehold tax but it's very modest, working out to about 4 per cent; significantly less, I might add, than the royalty schedule for either new or old oil. But if one just takes the difference between the amount of revenue our province receives from PanCanadian, the CPR subsidiary, and add everything — the freehold reserves tax and the provincial share of corporation tax — and contrast that against what would come into the province from the production of oil and gas on CPR land, the difference is something over \$500 million a year.

Now we keep hearing from the railroads that for the entire country this Crow gap is around \$500 million. In one province alone, the gap between what we receive from this particular company and what we might if we owned the reserves outright, as we do in our provincial reserves, is some \$500 million. But is the railroad coming to the government of Alberta and saying, well look, we're prepared to give up the mineral rights. Of course not. They're saying, that's a different company. We want to keep the mineral rights and this windfall that we're making out of oil, just as we want to keep the money we're making in real estate. The only thing we want to

change is the Crow rate as it applies to the movement of grain. Mr. Speaker, I just find it incredible that we would have this kind of argument being seriously advanced and supported by anyone in public life, at least in western Canada.

Mr. Speaker, I want to deal with some things that have been said over the last eight or nine years. I've argued, as I did a moment ago, for a publicly owned system. I think it would be useful to have the Minister of Agriculture tell us in the debate today where the government stands in 1981 on the proposal of Mr. Peacock, when that particular hon. gentleman was the Minister of Industry and Commerce. At the economic development conference in Calgary in 1973, Mr. Peacock, in a momentary lapse of being a red Tory, advocated complete nationalization of all the railbeds. Now is that formally the position of the government? It was in 1973, but I've seen a little hedging. On the other hand, from time to time we've had the odd minister imply that they may still be thinking about that. Well, are they or not? The hon. Member for Calgary Buffalo has given us an opportunity this afternoon to find out from one of the ministers who are responsible for government policy just where that flyer stands in 1981. Is it still the government policy or not?

I think some of the arguments that have been raised about why we have to do away with the Crow rate are really fallacious in the extreme. We have the suggestion that if we just dump the Crow rate and bring in compensatory rates, those railroads are just going to take all that money and improve the service. Things are just going to be hunky-dory. Well there's absolutely no evidence of that. As a matter of fact, the record of the railroads elsewhere — the example I want to cite is east of Thunder Bay, as far as hauling potatoes in the maritimes is concerned. Commitments which had been made were done away with in the hope that we'd have better service. In fact that has not worked out. The idea that just removing the Crow rates is somehow going to improve the service as if by magic is, as I say, hopeful. Certainly there's no evidence at all, in the track record of the railroads in the last 30 or 40 years, to indicate that it's going to mean a darned thing.

We've had compensatory passenger rates on the railroads, and we've seen the railroads deliberately dump their passenger service. With energy prices going up, we're now in a position where we should have a good rail passenger service in this country. But we've allowed both the CN and the CPR — and I would be just as critical of the CN, as a publicly owned system, as of the CPR — to deliberately downgrade passenger service. So the idea that it's all going to be fine if we just pay whatever the railroads are asking, is hopeful in the extreme.

Mr. Speaker, the railroads tell us that if we move from the present Crow rate to the actual cost of moving grain, the cost would be about six times the current level. The National Farmers Union has reckoned that that would mean the average cost for each producer in Alberta would be \$4,320 compared to \$720 at present. That's the average cost based on 1980 figures. But with energy costs rising, there's absolutely no doubt that the difference will grow. If we take away the Crow rate, that \$4,320 figure will be substantially greater down the road. But even taking it as a base, the total loss to farmers' net income, because that's the only place it can come from, would be about \$170 million. That would mean a reduction of 20 per cent in the net income of Alberta farmers if we move to the full compensatory rate.

We've had some interesting proposals made. We have

some of the commodity groups suggesting that, well, we'll keep the benefit. But instead of maintaining the Crow rates *per se*, we'll just pay the benefit to the farmers on some kind of acreage basis. Well, Mr. Speaker, I could suggest to the members of this House that that may work for two or three years, until we have a build-up in the national media of people who are cashing in their Crow benefit cheques. They could be doing any one of a million different things, but there would be one story after another. Before too long the federal government, with a \$12 billion or \$14 billion deficit, would find all kinds of plausible excuses for ditching the Crow benefit. You could have it in statutory form if you like, you could have it there in black and white, but it's not going to stop a majority government from amending the legislation and removing the Crow benefit. In my view, the idea of sort of handing this back to thousands of individual farmers is a built-in recipe for a two- or three-year program at most. Then as the bad publicity builds up — keep in mind that farmers are a very small minority of the voters in this country — there would be absolutely no doubt that politicians who have no particular commitment to rural people would very quickly change the rules.

Mr. Speaker, as I review these various arguments on the Crow rate, pro and con, I think the only really significant one is the assertion that the Crow rate would stifle the development of secondary manufacture and processing of agricultural commodities, and is unfair to the livestock industry. I think there's some argument for that on the surface. But before we commit ourselves to removing the Crow rate, we have to do our cost/benefit analysis. The information I've seen leads me to the conclusion that if we were to abandon the Crow rate, the loss to grain growers would be much greater than any positive impact, either on the livestock industry or even on the manufacturing of agricultural products in this province.

I say to members of the House, why are we as westerners committed to let the federal government off so cheaply on this issue? Why should we not argue for the extension of the Crow rate to everything produced from grain? Then you would have the same relative balance. You wouldn't have discrimination, because it's the relative balance between the different types of production that counts. It seems to me that this would be the basis, if you like, of a new national policy.

This government is saying to Albertans that we should accept as our objective three-quarters of the world price for oil. I think that's a reasonable goal. But that's less than 100 per cent of the world price. All right, if we're going to accept a differential, if you like, of 25 per cent between the world price for oil and the oil we produce in western Canada, is there not an argument for a trade-off, a *quid pro quo*? If Alberta and to a lesser extent Saskatchewan are going to shield energy prices in Canada by 25 per cent, is there not some argument in return that there should be shielding on a consistent basis in transportation systems? It seems to me, Mr. Speaker, that there is. And rather than going the route of saying we'll remove the Crow rate, surely the best approach would be to extend it.

Mr. Speaker, I conclude my remarks — because I think it is important that members of Executive Council have an opportunity to participate in this debate — by saying that I support retention of the Crow rate. I think we need an integrated, publicly owned railroad system in this country. Most important of all this afternoon we need a formal position outlined to the House by members of Executive Council, not just members of the back bench

getting into debate, however laudable that might be. Other provinces have done so. There have even been formal resolutions on this matter in the Saskatchewan Legislature, introduced by the government. I hope either the hon. Minister of Agriculture or someone who can speak for the government would take the opportunity given by the resolution of the hon. Member for Calgary Buffalo to tell us where this government stands on the important issue of the Crow rate.

[Mr. Purdy in the Chair]

MR. STEWART: Mr. Speaker, I think that any rural M.L.A. in this Legislature is well aware of the long debate that's taken place on this issue. If a clear-cut public opinion of an alternative to the Crow rate had been put forward, I'm quite sure it would have been resolved long before now. As a person involved in agriculture most of my life, I probably have been exposed to every argument, pro and con, on the benefits and disadvantages of our freight-rate system as it now exists. Particularly being involved in the livestock industry, I felt the effects of the present freight-rate structure in making my product non-competitive in eastern markets.

I have knowledge of people in the industry today — running a ranch operation in Alberta — who have gone to Ontario, invested in a feedlot, transported their livestock to Ontario, and fed them there. In their estimation, about \$50 a head more was to be made feeding western barley to western cattle in Ontario than feeding them in Alberta and selling the product here. I don't think there's any doubt that if we want to build an industry in this province, we have to get to where we're taking advantage of some upgrading of that product before it leaves this province. We have a packing industry that's quite capable of upgrading the beef and pork we produce and making it a saleable commodity anywhere in the world. The boxed-beef industry is relatively new and could put our product in a world market. The quality of beef and pork from Alberta is probably as good as anywhere in the world. It has a recognized, almost trademark tradition in most areas that appreciate what good beef and pork is all about.

If we're going to expand this industry — and certainly in Alberta we have the opportunity, the land base, the livestock industry, people expert in producing those commodities — I think grain producers in this province have to recognize that the livestock industry is a very important customer in disposing of over 50 per cent of the barley grown here. We also have an alfalfa processing industry in this province that could well be supported by the incorporation of that product into the feeding industry. A lot of the by-product of our rapeseed meal is consumed locally in Alberta by the feedlot industry, and could continue to do so and be expanded. These are all upgrading processes of raw commodities that this province is capable of producing.

So when we talk about the Crow rate and its advantages, we're really recognizing the disadvantages it's had to upgraded produce. It does not apply to the upgraded produce of any of our industry. I think we should look for a commodity transportation agreement where all products in western Canada have a compensatory rate to get them to market. This country has produced a seaway to give central Canada a better opportunity and a break in transportation. We're competing against America, which has the Mississippi River transportation system that gives them a distinct advantage getting product out of the central part of their country to export markets of

the world. There's no doubt in my mind that the benefits of the Crow rate to agricultural producers has on one hand worked in their favor and on the other hand against them.

I think commodity groups that are asking for a change of transportation arrangements with the federal government have to get a more unified opinion of what they feel would resolve the issue. I think the four western provinces all have to be involved, because I think we all stand to benefit. There is no doubt that air transportation is subsidized by the federal government, as was stated earlier. I think western Canada can justifiably expect the federal government to subsidize a rail transportation system that would make it possible for agriculture in western Canada, and all other manufacturing and commodity groups that have to transport large quantities of produce, to put it to our seashores at a price that would make it competitive on the world market.

We see the people in eastern Canada expecting to get our oil at less than world price and expecting western Canada to accept that as a natural philosophy because we're all Canadians, consequently we should be prepared to share some of our good fortune with the rest of Canada. I think our past performance has shown that as Albertans we're prepared to share with the rest of Canada. So I think it's very reasonable that we ask the federal government to come up with a system of pricing commodity movement that would give Alberta and western Canada a fair opportunity to export to world markets without the disadvantage of a long freight haul at full market value, which puts our product at a distinct disadvantage to most of our competitors.

I don't think any issue has been more widely discussed in western Canada than the Crow rate and its benefits and disadvantages. I believe that we as provinces have to go to the federal government with a united voice and a determined alternative to what we have at the present time. As long as we cannot agree among ourselves on the ultimate solution to the problem, I can't expect that the federal government is going to give us any more than we have at present.

Rail abandonment is a major issue in many parts of this country, which would create an additional disadvantage to the people in agriculture in those areas. I think this has to be part and parcel of any readjustment of our transportation system: a recognition that all parts of western Canada have to have access to rail or a reasonable alternative that would be subsidized to replace it, and in that way make each geographic area have a reasonable opportunity to be competitive.

At a recent meeting of the premiers of the four western provinces, I'm sure a transportation system that would be more equitable to the advantage of all western Canada was uppermost in their minds. I think they're working together. I believe there's a solution to the problem. If we have the four western provinces in agreement on the solution, I think the federal government will have to heed what they agree upon. But as long as we're prepared to disagree among ourselves, we're leaving the federal government in the comfortable position of doing nothing. For that reason I believe that what was expressed here earlier this afternoon is Alberta's position. I'm quite hopeful that ultimately it will be the position of western Canada. With that in mind, I think this particular long-standing issue could be resolved to the benefit of all western Canada, particularly agriculture.

MR. BRADLEY: Mr. Speaker, representing the historic constituency of Pincher Creek-Crowsnest, I'm very pleased to get involved in this debate today. When the hon. Member for Cardston led off debate today, I was wondering if the crow was going to become an endangered species. He mentioned that he was going to take a shot at the crow. I almost rose on a point of personal privilege with regard to the future longevity of the namesake of my constituency.

Over time we've heard that the crow must go. Again that raises concerns, particularly with the namesake in the constituency of Pincher Creek-Crowsnest. I remember when Dr. Horner was deputy premier in the House. I once accused him of using the word "Crowsnest" more than me, being the representative of the constituency.

Actually some of the problems we have today with regard to rail transportation could have been resolved a long time ago, if there had been recognition when the CPR was first constructed that actually the best route to build that line would have been through the Crowsnest Pass. The Crow has been maligned for a long time. Back in 1857 the Palliser expedition was investigating locations for the construction of a railway through the Rocky Mountains to the west coast. They were told by the Indians that the Crowsnest was a bad pass. That is one reason the Crowsnest route wasn't built in the first place. Later we saw the error of our ways, and it was decided that the Crowsnest rail line was a necessity and had to be built.

I know this is a very serious topic, and I am going to give a history of the development of the Crowsnest rates in my speech today. But I also want to comment on the history of the Crowsnest Pass and bring to the attention of hon. members a very excellent publication by the Crowsnest Historical Society entitled *Crowsnest and Its People*, which really gives the true history of the Crowsnest. This book won the 1979 regional history award for the province of Alberta.

Let's get back now to the serious debate before us today with regard to the Crowsnest freight rates. I think it would be very useful for members if we were to go through the history and development of the Crowsnest Pass freight rates for the edification of members, so we are exactly clear as to what took place with the construction of that rail line and what commitments were made. I'd like to go through that history and the history of the various commissions which have looked into and investigated this matter over the years.

The original Crowsnest Pass freight rates developed in 1897, when there was a commitment between Canada and the CPR to construct a line from Lethbridge west through the Crowsnest Pass to Nelson and the Kettle Valley area. This is where we have some confusion in history. The original building of the CPR — there were land grants, that's correct. Twenty-five million acres were given to the Canadian Pacific railway to construct the original line, but that in no way was tied to a lower freight rate component. That didn't happen until 1897. I have no affinity for the Canadian Pacific railway. I have a lot of concerns myself, and we as westerners certainly have some deep-seated grievances with regard to the operation, particularly relating to freight rates and some of the concerns we have in real estate developments. But in no way, I think, are we justified in tying the Crow freight rate agreement to the original land grants which were made for the construction of the Canadian Pacific railway, which was really the promise to British Columbia to join Confederation, that we have an east-west rail

link to British Columbia. Those land grants were made in order to tie this continent together and build a nation. But there was no commitment at that time with regard to lower freight rates for certain commodities. That didn't come until 1897.

In return for lower freight rates, the CPR received a subsidy of \$3.4 million to build that line. That was the dollar allocation to the Canadian Pacific railway with regard to the present statutory rates we have in place for moving grain. I think those are very important. It might be noted that during the period 1899 to 1925, when the statutory rates were put into effect, only in seven of the 26 years between the construction of the Crowsnest part of the CP line were those freight rates actually in operation. In 1925 they became statutory, and the 1897 rates were put into place.

Since that time we've had a number of things crop up. A number of hon. members have alluded to some of the problems that have occurred because of the statutory rates, particularly anomalies we have witnessed here in western Canada due to the dislocation we've had in development of our livestock and processing industry. This has been a result of the subsidized rates we've had regarding the movement of grain. That has resulted in a number of commissions which have looked into the problems of getting our grain to markets and the dislocations we've had in other parts of our economy. We had the MacPherson royal commission in 1961. They made a number of recommendations, and I'd like to go through them a little later. Then we had the Snavelly commission, actually two studies by that distinguished group. Recently we had the Hall commission. And then there was the Booz, Allen commission.

If I may depart a bit from the topic of the Crowsnest Pass freight rates, talking about Booz, Allen brings me back to another important part of the history of the Crowsnest pass, related to the era of prohibition. The rest of the province voted dry, but the area along the mountains voted wet, the Crowsnest Pass area particularly. When I first heard about the Booz, Allen study and that it was looking into freight rates, I wondered if there was any connection to this other historical phenomenon that had occurred in the Crowsnest — actually a fairly fascinating part of Alberta's history with regard to Emilio Picarielo, who was known as Emperor Pick, a sort of Robin Hood of the west who was involved in the booze trade at that time. But we had the Booz, Allen study conducted in 1979.

Let's go back now to the MacPherson royal commission, which reported back in 1961. One of the underlying principles of the commission's recommendations was that railways providing an uneconomic service in the public interest should be compensated. In keeping with that principle, the commission recommended that the railways receive subsidies for the movement of grain and for the provision of branch line services. But this ran into some problems in the House of Commons in Ottawa. There wasn't exactly unanimous agreement as to how the railway cost ascertainment procedures were arrived at, and as a result the proposed grain subsidy was defeated at that time. So in 1975 we had another commission, under Mr. Snavelly, and again one in 1977, looking into the question of grain transportation by rail and the costs associated with that. Some of the interesting conclusions of that were that a number of different factors had to be included: variable costs, whether there were contributions to fixed costs, the question of the different operating procedures and levels of investments, and the costs re-

quired with regard to branch line rehabilitation and provision of hopper cars. If a number of these things were included, there would be significant increase of the ratio of costs over revenues with regard to the Crow.

This brought us to the Hall commission, which raised some very significant points with regard to the effect of the statutory rates in relation to our agricultural processing industry. He identified that the statutory rate on grain made it more advantageous to ship grain out of the western region and process it elsewhere than to process the grain in the west and ship out the processed product. That has really raised a number of concerns with our livestock producers in this province, and with the producers of canola and rapeseed and the processing industry associated with that.

Here in western Canada we have a natural advantage with regard to raising cattle and growing grain products. In my estimation it would be most appropriate for us to be processing these products here and shipping them out. Yet we have a freight rate structure which creates a disadvantage to us in an area where we should actually have an advantage. In terms of the economic strategy we should be following in our nation, I believe we should be supporting and developing industry where it has a natural advantage, rather than creating policies which create a natural disadvantage to a particular industry. Let's face it, the growing of cattle and livestock and the producing of grain is the mainstay, one of the principle industries we have in Alberta, yet we have policies which tend to discriminate in an area which should have strength.

I'd like to move on to the study by Booz, Allen and quote from some of the conclusions he made with regard to this freight rate question. He says there's a substantial body of opinion among major participants in the production, handling, and transportation of grain in Canada that some way must be found soon to provide a compensatory return to the railways for moving grain. Failing this, the lack of capital renewal of relevant rail facilities will become critical, vitally affecting the grain industry, the railways, and other important industries. From that conclusion I gather that unless we move quickly in terms of investment with regard to our railway infrastructure, we are going to limit the capacity of this nation to fulfil its opportunities and obligations to the world in terms of shipping grain and other products to market.

In the question period today, we had some questions raised with regard to the movement of coal. We know we are going to be limited in terms of our east-west access, particularly through the Rockies to the west coast, in terms of the capacity of our rail lines to move our products to market. It seems to me that the Crow is to some degree having an effect with regard to our ability to improve these lines, because of the nature of the investment required to improve these rail lines and the revenues available to do it. I'd like to mention that the rates for moving coal, a commodity with which I am very familiar, have increased dramatically over the last couple of years. I've had a coal mine actually shut down in my constituency. One of the factors was the high freight transportation component. I think we have to rationalize the entire freight rate structure in the country if we are to be fair and equitable in a number of areas.

That brings us back to some of the remarks by some of the other members in the debate today. I was very interested in the comments by the hon. Member for Spirit River-Fairview when he was trying to relate the land grants for the original construction of the CPR to the Crow rate. I think I've dealt with that, in that the railway

actually got a \$3.4 million subsidy to build the Crow line, not the 25 million acres we associate in western Canada with the grants made to the CPR.

AN HON. MEMBER: They got lands for the Crow too.

MR. BRADLEY: Not a considerable amount. It was under a million.

The other argument by the hon. Member for Spirit River-Fairview was with regard to a trade-off, that somehow we should trade off oil royalties or revenues for fair and equitable freight rates. I think we in western Canada are Canadians. We should be treated fairly and equitably by our federal government in terms of national policies. We shouldn't be discriminated against, and these policies should affect all Canadians fairly and equally. Why we should have to embark on a trade-off of one resource for which we are receiving less than our fair market value, in order to get something we should receive as Canadians, and why we would even suggest that we have a policy such as that, is beyond my comprehension. The hon. member inquired with regard to a position which the former minister . . .

MR. ACTING DEPUTY SPEAKER: I hesitate to interrupt the hon. member, but the time for the debate has lapsed.

head: **PUBLIC BILLS AND ORDERS**  
**OTHER THAN**  
**GOVERNMENT BILLS AND ORDERS**  
(Second Reading)

**Bill 207**

**The Agricultural Land Protection Act**

MR. COOK: Mr. Speaker, maybe I could just start off by saying I'm glad to see the hon. Member for Stony Plain is in the Chair and I'm safe.

AN HON. MEMBER: That's what you think. Declare him out of order.

MR. ACTING DEPUTY SPEAKER: Hon. member, we could arrange to have the Deputy Speaker come back.

MR. COOK: Mr. Speaker, I appreciate your vigilance. I wouldn't advocate you changing your position one bit.

I'd like to start off the debate this afternoon on Bill 207, The Agricultural Land Protection Act, by saying that I think the farm community is vitally important to the future of this province. Three billion dollars in farm cash receipts was processed last year in Alberta. If you consider the multiplier effect of that \$3 billion on the economy as the farm products channel themselves through our provincial economy, then the impact is much more significant than that.

Mr. Speaker, I'd like to acquaint hon. members with the motivation for my Bill. I'm imagining a province in 25 years with a population of some 4 million people. That province will have had its conventional oil and gas reserves pretty well depleted. We will have a province with a population twice as great as today, with increased demands for government services, with less cash income every year, and it seems apparent to me that agriculture will become even more important than it already is. For me, it's the fundamental industry for this province.

The farm community is doing a tremendous job, when you consider the problems they're up against: our very difficult climate, a short growing season, cold winters, and limited supplies of water in some areas. It's remarkable that we've been as successful as we have been. It seems to me that if we are operating on the marginal end of agriculture in the continent — we're at the extreme north end of the range of productive soils in North America — and if agriculture is going to be one of our most important industries, as it is now, then we should be conserving our prime agricultural land for future generations. I think agricultural land is a resource, not a commodity. It's a resource to be passed on to future generations unimpaired. If we do not pass on that resource, Mr. Speaker, our children will judge us poorly. With those opening remarks, I'd just like to suggest that that's the motivation behind Bill 207: the desire to pass on to future generations a valuable natural resource that can never be reproduced, not as a commodity but as a resource.

I'd like to take hon. members through the Bill and acquaint them with some of the features of the legislation. I think it's important that we establish some basic concepts as we go through this debate. I'm sure some hon. members will have some different views and I look forward to them, but I'd like to try to point out the main features of this Bill.

Mr. Speaker, we set up an agricultural lands commission, composed of a number of representatives from different government agencies who have a vested interest in agricultural land. Three people are nominated by the Department of Agriculture. I would hope that at least two of those nominees would represent the farm communities; they would not be civil servants, but representatives of various farm interest groups. There are also other representatives of departments that are vitally concerned with the use of land in the province: the Department of Environment; Energy and Resources, for example, for pipelines. I'm sure the Minister of Economic Development would have an interest in ensuring there is no impediment to the growth of the province; the Minister of Transportation; Municipal Affairs; Housing and Public Works; and Utilities and Telephones. I think the commission is fairly well balanced between the need to conserve agricultural land and the need to ensure a healthy economic environment for the province to grow in. So that is the basic make-up of the agricultural lands commission.

The commission has broad powers under The Public Inquiries Act to do some basic research, find out the problems in preservation of agricultural land. It has a mandate, Mr. Speaker, that has been outlined in a report I prepared, that some hon. members might be familiar with. We outlined the nature of the problem. The problem is basically that we don't have very much Class 1 or 2 soil in this province. About 7 per cent of the total land area of the province is Class 1 or 2 soil. We have about 10 per cent more Class 3 soil. It's a fairly limited resource in the province. You shouldn't think of Alberta simply as one area of agricultural land stretching from the Northwest Territories to the south, or from the mountains to the Saskatchewan border. It's not like that at all.

Our best agricultural lands are concentrated along the Calgary-Edmonton corridor. The corridor is under a lot of pressure for urbanization, and commercial and industrial development. There is a land-use conflict along that Calgary-Edmonton corridor, where our best agricultural land is. On Tuesday I referred to important research that

suggests that the yield on Class 1 soils is twice as economic as on Class 4 soils. The farm input costs are twice on No. 4 soils as they are on No. 1 soils, because there is an increased supply of natural nutrients and nitrogen. The soils are better drained, they're flatter, they're easier to work. We can thank Fred Bentley from the University of Alberta soil sciences section for that valuable research and information.

So if we have a limited amount of Class 1 and 2 soil, and if we risk taking that land out of production — and it is the most efficient land to produce agricultural products from — then one can reach only one conclusion: should our agricultural land be taken out of production, paved over, and put under blacktop, we're going to be left with an agricultural sector that is going to have some inherent problems. It's going to be much more expensive to produce those products from that land. If we're in a competitive, worldwide market place, it seems only reasonable that we would want to have the most efficient agricultural sector possible. That wouldn't be possible if we take our best land out of production — in effect, creamed it off. Well, that's the problem, Mr. Speaker.

The next question becomes, what can we do about it? Some say we have protection already: don't worry about it, we have subdivision regulations in The Planning Act that encourage municipalities and counties to protect agricultural land. To some extent that's true. However, the bad actors in the province are the counties and municipalities that have lands that butt up against the major metro areas, the growth centres. The good actors are the municipalities that really don't have much activity to threaten agricultural land. Mr. Speaker, it seems that our planning regulations are not all that effective in preventing urban sprawl onto good agricultural land.

The mayor of the city of Edmonton hasn't been very popular with me, Mr. Speaker, and I antagonized some of my colleagues who represent the farm community. Perhaps that suggests that my interests lie somewhere in between, and that might not be a bad place to be. That either means I'm going to get shots taken at me from both sides — by the way, my blood type is O positive — or I'm dead wrong. [interjections] Just dead or dead wrong, I don't know which.

I think we need to toughen up our zoning. I'm following the reasoning that agricultural land is a valuable natural resource. It's under a lot of pressure. Our failure to take some action today may lead to a difficult situation for the agricultural sector tomorrow, and we need to do something about it.

We looked at a number of different ways to try to solve the problem, and we came up with seven. The first is a general policy review of government activity that impacts on agricultural land; for example, the policies of the Alberta Housing Corporation, which buys land willy-nilly with no regard for whether it's on good or poor land. We're looking at the water and sewer program of the Department of Environment, which takes municipal services out to good farmland and then puts increased pressure on it. Those are a couple of examples of government policy that impacts negatively on this area. So we thought we should have a general policy review.

Secondly, there should be some regulatory changes to the Local Authorities Board legislation that would toughen up the restrictions on conversion of agricultural land to non-agricultural purposes. We thought there should be some selective grants for water and sewer programs, highway programs, and other government activities that direct growth. In short, those grants should be selective

on the basis that they would only be provided in areas of poor soils. We would not put water and sewer lines into No. 1 and 2 soils. In effect, Mr. Speaker, we're subsidizing the conversion of good agricultural land into commercial and industrial purposes and residential land as well.

Fourthly, we looked at trying to provide compensatory grants to developers. If we had a case where there was a choice between developing good land and poor land for a residential, commercial, or industrial subdivision, and the developer was going to face some extra costs because he was going to choose 4 or 5 soils as opposed to 1, 2, or 3 soils, then we would provide some assistance to that developer to direct his growth in that area.

Fifthly, we thought we would purchase, if you like, a caveat on the title of land. In the United States, they are called development rights. It's not entirely accurate to call them development rights in Canada, because we don't necessarily have the right to develop our land. But we would purchase from the farmer a caveat registered against the lease to develop or subdivide the land for any other purpose, so in effect the land would remain agricultural.

Now, Mr. Speaker, it's important to point out that this would require a willing buyer and a willing seller. There's no suggestion at all that there be any compulsion on the part of a farmer to sell those rights. There's no suggestion at all that the state would impose its will. It's a willing buyer and a willing seller. Mr. Speaker, that has worked very well in a number of states, Pennsylvania in particular. New York is an example, and it's quite effective. It ties up that land for development.

Finally, we looked at an idea from the state of California. It's called the Williamson Act. They provide very low rates of taxation for agricultural land, as we do here. But, on the other side, if a piece of land is taken out of agricultural production and converted to another use, they require the developer to pay 20 years' back taxes at the higher commercial/residential rate. Now it makes the developer think twice, Mr. Speaker, if he has a choice between developing poor land and agricultural land, because the developer is going to have to pay a very stiff penalty in one shot. So those were the concepts embodied in the legislation I have before you today.

Bill 207 doesn't have one point that I'd like to make, but it is in the report; that is, this concept should not be thought of as a growth or no-growth scenario. We're not trying to freeze the development of urban communities. Mr. Speaker, some very important work was done by the Environment Department in Ottawa. Recently there was an assessment of the agricultural capability of lands around major cities. The Canada Land Inventory grades lands on a scale from 1 through 8 plus 0 — 0 being lands that have no agricultural capability at all. It's interesting to note that within a five-mile radius of the city of Calgary, there is really no No. 1 soil. There are 230 acres of No. 2 soil, 2,259 acres of No. 3 soil, and 43,000 acres of relatively poor pastureland to the west.

AN HON. MEMBER: That's northwest.

MR. COOK: To the north and west, as my hon. colleague points out. So it would seem a shame, Mr. Speaker, if the good land is developed first and the poorer land developed last. That's exactly what we see happening. Within 10 miles of the city, though, we have a very significant change. About one-third of the land is No. 1 or 2 soils, and two-thirds of the land is No. 3 down. We're saying we can direct the growth of the city of

Calgary onto those poorer quality soils and still have our best soils preserved. That's the whole thrust. There's enough land around the cities of Calgary, Edmonton, Red Deer, Medicine Hat, or Lethbridge, because the land that was developed by mother nature isn't just one broad sheet where she laid down a lot of No. 1 and 2 soil and then a big patch of No. 3 and 4. So we can direct the growth of the cities onto that poorer soil. That's the whole thrust of Bill 207.

I'd like to turn just for a moment — and then I'll conclude my remarks — to some support for this concept in this province. It's interesting to note that the Edmonton Chamber of Commerce just approved a resolution on land use that's being submitted to the Alberta Chamber of Commerce. Mr. Speaker, I'd just like to read into the record three short paragraphs:

With urban expansion being on the increase all over Alberta and much farm land being taken out of production, a renewable resource becomes an irreversible, non-renewable resource.

Agricultural land should be under the direction of the Department of Agriculture and any further change in its use should be controlled by the [Department of Agriculture].

Only after Agricultural Land-Use has been determined in accordance with the Act should other controls under municipalities, government departments, etc. be considered

That's a resolution of the Edmonton Chamber of Commerce.

In the last couple of years, the Alberta Institute of Agrologists has produced a very valuable brochure. It talks about the need to preserve agricultural land in Alberta. It's geared to that. I'd be glad to make a copy available to the library of the Legislature a little later. In a release on Monday, January 28, 1980, our Minister of Agriculture said there is an ongoing policy review about this problem:

... we are studying input from various farm organizations and concerned citizens. I hope within the foreseeable future we will be able to offer a refined policy that will better meet both the needs of this generation and of generations to come [with agricultural land].

He talks about the need for land classification, the need to study the actual rate of farmland disappearance, and the defining of prime agricultural land. His department is actively reviewing that, and I commend him.

In its annual presentation to the government in February of this year, Unifarm made the point, and it was the second point in its submission to the government, that agricultural land is disappearing very quickly. I'd like to read a couple of their points into the record:

Encroachment of non-agricultural developments on agricultural lands continues to be of [great] concern. We urge all levels of government and its agencies to co-ordinate their efforts so that a policy is established for the purpose of preserving [agricultural] land for food production.

Unifarm recognizes that lands capable of food production are a finite resource, and a heritage to future generations. Wherever and whenever possible, lands with good agricultural capability must be preserved within an agricultural use.

That's the submission of Unifarm this year.

The Environment Canada study of Canada land inventory in February '79 makes solid points that agricultural lands are being taken up around Canada's agricultural



areas. In particular the major metropolitan areas in Canada are eating up prime agricultural land. More than 50 per cent of all the good agricultural land is within 25 miles of a major census district, like Edmonton or Calgary.

Mr. Speaker, Canada is becoming almost a net food importer; not in certain areas like grain and livestock, but if you take agricultural production and food in the aggregate, Canada is rapidly approaching the point where we are a net food importer. That should come as a shock to most members of the Assembly. Agriculture should be a contributor to our foreign exchange. It's one of the reasons this country was settled to begin with. This province in particular was opened up because of agriculture. I think it's a real shame to have that statistic thrown back at you by people in the farm community. When you think of the amount of the food that's brought into this country, it just seems anomalous; it just doesn't make any sense. Fred Bentley at the University of Alberta says that agricultural self-sufficiency in Canada is going to be lost:

Only the Prairie provinces are self-sufficient in agriculture, he said, while Canada exports only 10 per cent more in agricultural produce than it imports.

The former dean of agriculture at the University of Alberta makes that point.

Agriculture is a way of life, Mr. Speaker. It's more than just agricultural produce and dollars. Agriculture is a very important industry in the province. We should be protecting it, because it's a way of life for the farm community. Farmers value the land much more than just simply having an economic return. That fact must be self-evident because of the cheap prices that urban dwellers like me pay for our farm products. Farmers are not getting a good economic return for their products. I can only think that the reason they're on the farm is because they value their way of life more than dollars. A friend of mine was kidding when he said that another fellow who won a lottery prize, when asked what he was going to do, said, well I'm going to keep on farming till it runs out. He's probably right. Farmers are not getting the kind of economic return they deserve.

Mr. Speaker, with those remarks, I think I'd be interested in listening to the comments of other hon. members. I think though that I should make a couple of final points. As a city boy, an urban dweller, I have a vested interest in the health of the agricultural community. I have a vested interest in two ways: as a consumer who pushes his cart through Safeway, IGA, or some Co-op and pays the price of the agricultural products in my basket; and as a person who lives in a community that is largely dependent on serving the agricultural community.

As I was pointing out earlier, farm cash receipts in this province amounted to \$3 billion last year. The multiplier effect of that \$3 billion contribution to our provincial product has an impact on the urban environment that is just massive and awesome. So as an urban dweller I think I have a responsibility to my cousins on the farm to make sure that the environment they operate in is both healthy and economically attractive, but also one that is preserved and maintained so that future generations can look back on the people in this Chamber in 1981 and say, they did a good job preserving a valuable natural resource, not as a commodity but as a resource. That's what it is, Mr. Speaker. It's something that is irreplaceable. Our decisions and actions now are going to be looked upon and judged by future generations as being wise or not so wise.

[Mr. Speaker in the Chair]

So I look forward to the debate, Mr. Speaker, and I ask hon. members to support Bill 207.

MR. BORSTAD: Mr. Speaker, I am pleased to participate in the debate this afternoon on Bill 207, The Agricultural Land Protection Act. I support it in principle, because I don't believe we should be squandering good farmland. There are a number of ways that prime farmland is being removed from agricultural purposes: through annexations, oil well sites, roads, battery sites, strip mining, rural subdivisions, plants, and industrial subdivisions. All these prey on good agricultural land. As it happens, because of our historic settlement patterns along the agrarian economic base, present urban centres in this province are generally situated on rivers and close to good farmland. Some of the best land classifications in the provinces are in that situation. These centres were started by early pioneers near rivers, lakes, and waters, usually because of good soil nearby and because of water supply for gardens and crops. I suppose you might say that this was the beginning of our land-use conflict.

I believe that land should not be considered solely as a marketable commodity, and that land within a good agricultural area must be determined in the best interests of the public in general. As it happens, the better lands in this province are situated in central Alberta, in an area which corresponds to the most intensive urban and industrial development. Of the 163 million acres of land in the province covered by the Canadian land inventory, only one-third has the potential to produce crops such as barley, wheat, and canola. Some 50 per cent of that one-third consists of marginally productive Number 4 soil, most of that being in northern Alberta.

While the total amount of agricultural land has not changed, or been significantly changed in the last 10 to 20 years, the quality of that land has made a very remarkable change. For example, as we cover up the good, prime soil in southern Alberta, the Department of Public Lands and Wildlife has been opening up in excess of 150 million acres a year in northern Alberta, most of it being gray-wooded Number 4 or even higher. Studies show that with the same input costs of fertilizer and those types of things, you will only get about half the yield on No. 4 soil as you will on No. 1 soil. Therefore we have to bring twice as many acres of No. 4 soil into production as we drop that No. 1 soil in the southern part of the province and cover it with pavement.

These costs of farming poorer lands recur each year and are closely tied with increasing energy costs. We have to ask ourselves: will we continue to have sufficient productive capacity to supply our needs in the future? The question will have a significant impact on our economy as high revenues from petroleum are depleted, which is going to be in the not too distant future.

I believe every regional planning commission in this province has a firm policy of commitment towards the preservation of prime farmland. But between 1966 and 1975 the Edmonton region alone acquired 125,000 acres of prime land for development. When we look at oil well target areas in the centre of quarter sections, each site approximately 8 acres for site and road; [with] some 8,000 wells drilled last year, you're looking at another 64,000 acres lost to farm production — not necessarily all lost, I suppose, because some would be on Crown land, but a good portion would be taken out of production.

Strip mining will remove a large number of acres of

farmland for a long time. I believe we should be developing coal on non-agricultural lands first, before we disturb our good farming areas. When we disturb the soil and stripping takes place, we should take out smaller areas so the land is reclaimed and a smaller amount of land is disturbed at one time. To not cause too much disruption and mental anguish to people on that land, I believe the owners of these areas being affected within the 5- to 10-year span should be bought out immediately and relocated. Those lands not stripped immediately should be leased back to those in the area who are not going to be affected at that time, so that there is a gradual removal of land by smaller amounts and people are moved out of the affected area as soon as possible so there isn't mental anguish.

I also believe that rural subdivisions can and should be cut in size. A few years ago we had a 10-acre subdivision policy where we had 10-acre subdivisions all over the province. I think that was a total waste of good land. Anybody living in an urban area who has 10 acres of farmland for a farmstead or to live on — if he's working in the city, there's no way he can look after that 10 acres unless he's doing intensive farming. If he's doing intensive farming, then 10 chances to one he's not working in the city. I think those subdivisions should be cut in size. We should be looking more realistically at one-half to 1-acre parcels of land, so that a person can look after them if they want to live in rural areas. By allowing smaller subdivisions located on non-agricultural or marginal land, we're also going to reduce that conflict.

Plants and industrial subdivisions may have to be told where they're going to locate or [given] some incentive to locate on non-agricultural land. I believe we're coming to the time when we have to put some incentives on moving plants to areas off good productive land. Because of the competition of every urban centre in the province to locate industrial and commercial development within their boundaries to assist their tax base, we are defeating our purpose. Maybe we should examine sharing industrial and commercial revenues with municipalities across the province, which would eliminate that competition — every municipality striving to get industry and commercial businesses to locate within their boundaries, which necessitates expansion of boundaries. This also has the effect of more transportation services being needed to move masses of people through congested urban centres.

Therefore I believe the province must take a more active role in the preservation of good farmland. Instead of channelling provincial funding to encourage development away from better soils, in many cases I believe the province has subsidized the destruction of prime agricultural land by loaning to developers of large rural subdivisions just outside of cities. It is recognized that there will be destruction of prime agricultural land, but it is surely in the public interest, yours and mine, to minimize that loss for future generations. I believe this preservation can be accomplished by several methods: policy revisions, regulation changes, possibly selective grants, an equalized tax revenue distribution for municipalities across the province, preferential agricultural tax rates around urban centres — that's where a person might have a preferential rate if he owned land near a city. Rather than having to sell his land or be gobbled up by annexation, he would be able to continue to farm there.

I also believe there should be more in-fill in the urban centres, rather than going for large annexations. I look at the city of Grande Prairie and see many hundreds of acres within the city boundaries which could be in-filled,

but they still go to annexations. When I talk about the city of Grande Prairie, I look at the recent annexation which took in — I'm not sure of the number of quarters of prime farmland to the west, north, and east, when they could have gone south for 50 miles and not affected prime farmland at all. In fact you're moving closer to your water supply and sewer disposal.

In recent months a number of organizations — such as the Christian Farmers, agrolologists, and other farm organizations — and the public themselves have renewed the call for preservation of our prime agricultural land through a new policy or legislation. On the surface rights committee I had the opportunity to hear the concerns of many farmers this winter as we crossed the province. Therefore I support in principle the Act before us this afternoon. If it were passed by the Legislature and policy changes were created, it would probably create some short-term problems for future development. But I believe the short-term loss would probably be very much the long-term gain for future generations in the lands that would be saved and available for food production.

MR. NOTLEY: Mr. Speaker, I'd like to address several comments generally on the issue, then deal with the Bill itself. I'm sure all members of the House would sympathize with and support the intent of the Bill.

Before I get into the specifics of the Bill, I think some points have to be made in second reading on what in fact the hon. member is suggesting we undertake. I think the overall thrust of action to protect agricultural land has overwhelming merit. Not that long ago, we had a debate in this House — in 1973, if my memory serves me right — when the resolution was passed that established the Land Use Forum. Extensive hearings were held throughout the province, and a number of recommendations were made. It's not that long ago either — again, in 1973 — in the province of British Columbia that the land commission Act was passed, which created a tremendous amount of controversy at the time. I doubt that many actions of any Legislature in any province in this country were as controversial as the action in British Columbia when Bill 41 was passed. But, Mr. Speaker, regardless of where they sit in British Columbia now, regardless of what view they took in 1973, I would say most people would look back and say, yes, that was the wisest move to undertake by the province of British Columbia. There may be differences over the administration of the B.C. land commission, but the fact that it is still in place with a change of government is probably eloquent testimony to its need.

Mr. Speaker, last Friday in the town of Lacombe I had an opportunity to sit in on a county meeting where a discussion was taking place over changes in land zoning in the county of Lacombe, which would permit Union Carbide to develop their plant in the Prentiss area. I was very impressed with the quality of representations from a number of farm organizations as well as from people in the county. It was quite a surprising afternoon, inasmuch as there must have been at least 100 people present. People made submissions, and over and over again the concern was expressed that if we were really worried about the future of this province, we have to protect the industry that has the best long-term potential; that is, agriculture. You can't protect agriculture unless you preserve our priceless No. 1, 2, and 3 soils.

The fact is that despite the discussion that has taken place in this province setting up the Land Use Forum in 1973, the work of the forum, the changes that were made in The Planning Act in 1977, in 1981 we still have a

situation where a good deal of agricultural land is needlessly taken out of production. We have groups such as the protect our agricultural land organization in central Alberta, who are saying that the changes in The Planning Act aren't good enough, that we need some kind of consistent policy that will apply right across the province. And they're right. This is not to say that every decision that has been made in the last eight or nine years has been bad.

I remember the controversy over the Dodds-Round Hill coal development versus Sheerness. I remember the hon. Member for Camrose, who frequently in the question period would quite properly raise questions about Dodds-Round Hill proceeding. To its credit, the government made the decision not to proceed with Dodds-Round Hill and to recommend Sheerness instead. That was a plus, a very important plus. So there have been some victories in the battle to save agricultural land as well. But as must be pointed out, when you look at what's happened with oil development, expansion of our urban areas, the fact still remains that every year literally thousands of acres of land are taken out of production.

The problem of course is how we define land. Is land essentially a commodity that we buy and sell? Is it a resource, as the hon. Member for Edmonton Glengarry suggests? It is a resource, no doubt about that. On the other hand, people who own land have an interest in the capital gain in that land. For the most part, that is the pension plan of farmers in this province. But I think we have to address the concern that, because of the pressure of urbanization and industrialization of land, there has been not just the normal capital gain one would expect to find as a result of land appreciating in value, but we have a pressure — I spoke on this during the estimates of the Minister of Agriculture — the ripple effect. Because agricultural land is taken out of production for industrial or residential purposes, suddenly its value goes from \$1,000 or \$1,500 an acre to \$30,000 an acre. As they attempt to roll over their capital gains, people buy land further out, and you have a ripple effect that goes from one end of the province to the other, to the point now where you find marginal land in Alberta selling for prices that quite frankly are just beyond the capacity for someone to make a living farming on that type of land. Any sort of land-use policy we develop has to address that issue.

Now I want to deal with the Bill itself. In a sense this Bill is a little like a speech by Jimmy Carter: good in rhetoric but short in substance. As I look at what the hon. member is suggesting, what we are proposing in this Bill, with all the comments he has made in introducing the Bill — and I agree with all those comments. I'm sure that will shoot him down in caucus, but I agree with them notwithstanding.

I look at the Bill, Mr. Speaker, and what we're doing in a sense is discussing a Bill which would set up a glorified royal commission. We're going to study it again, as if we haven't studied the issue enough. The major demand of this Bill would be to set up this commission which is going to prepare a report. We've had reports — God knows we've had reports — but nobody is necessarily going to act on the report. No criteria for action, Mr. Speaker, but we're going to prepare a report. We're going to recommend changes that may be needed in The Planning Act. We're going to review the function of the Local Authorities Board. We're going to make recommendations as to what agricultural land in the province should be protected. Of course that will change from time to time; you have to have a context in which to develop a

policy.

But as I read the Act, once the report is laid on the table of the Legislature, it isn't going to commit anybody to any action. When I talk to the people in the PAL group in central Alberta, they're very much concerned about a provincial land-use policy, and properly so. But I think they want a policy that is going to be based on an agenda for action, not more study.

You know the Frank Scott assessment of Mackenzie King, that he would pile a parliamentary committee on a royal commission. Well, Mr. Speaker, we've been studying the preservation of agricultural land for a long time in this province. And with great respect to the hon. member, whose motives I don't question at all and whose concern about the issue I know is genuine and real, I would say it would be more useful for the debate if Bill 207 set up a land commission that had some teeth, that had the power to do something similar if not totally identical to the land commission in British Columbia. But it's not.

We have the possibility here of setting up a fund, but without the criteria for land-use planning in the first place. We're going to be reviewing it; we're going to be preparing this report. I really question how we can have an agricultural fund that is going to be at all useful unless we have the criteria set out for action in the first place. What's the point of having a fund if we aren't going to be undertaking action. What we're doing is just studying, studying, studying. So the disappointment I have with Bill 207 is not its intent, not with anything the hon. member has said in introducing it, not with the fight he's in with the city of Edmonton over annexation — I happen to support him on that. Quite frankly I can't agree with the position of the city of Edmonton on annexation.

Nevertheless, that's not the issue here. The issue here is that if we're going to move in this area, let's move with a strong policy that has a commitment to set up a commission that has the teeth to do the job. Mr. Speaker, there is no doubt that there is widespread support from people, regardless of their ideological viewpoint, whether they are right wing, left wing, middle-of-the-road. There is widespread demand in this province for some kind of clear-cut, consistent provincial policy.

I'd just close by referring briefly again to the meeting in Lacombe last week. I think the county of Lacombe, probably more than almost any other local government I know of in this province, has a concern for the protection of agricultural land. I know some of the debates in that particular county council have centred on the acreage question that the hon. Member for Grande Prairie raised; no small amount of annoyance among the county councillors in Lacombe over the changes we made in The Planning Act that allow automatic subdivision where a railroad or a river or creek cuts across land. But, Mr. Speaker, the point that I think has to be addressed is that land-use protection in that part of the province — while the reflection of local input is very important, the need is to have some kind of enforceable provincial guidelines.

I would just close, Mr. Speaker, by saying that on this particular afternoon, I think about a dozen different submissions were made and only one of them argued in favor of the industrial use of the land. All the others, from different groups — the agrologists from central Alberta, the Unifarm people, National Farmers Union people — virtually unanimously argued that we not only should save that particular land but, more important, that we need to get on with the job of developing a land-use policy with a commission that has teeth, so that

in the years ahead, as the hon. member suggested, we can look back upon action, that we've actually done something; that we haven't studied it some more, but that we've set in place an agenda for action.

MR. MUSGREAVE: Mr. Speaker, I'd just like to make a few comments on the Bill introduced by the hon. Member for Edmonton Glengarry. I could be rather critical and say it's another Bill with more regulations, more bureaucrats, and more tax dollars to corrupt the market place, but I won't. I am concerned, though, that we use these clichés about urban sprawl and in the same breath say that our province is going to increase from 2 million to 4 million. I ask you a single question: where are these people going to live?

I take exception when the hon. member talks about Alberta Housing going out and buying land willy-nilly. I hope our civil servants are more responsible than that. I trust that when they're buying our land, they're doing it with a good conscience and looking after our taxpayers' dollars.

We talk about selected grants, compensatory grants, and all the rest of it. I ask you, where does this money come from? I know where it comes from; it's money out of our pockets. I know a little knowledge is a particularly dangerous thing. Like the hon. Member for Grande Prairie, I was on the surface rights committee this winter. It was a great experience for me. I know some of the hon. rural members are glad I was there. They're hoping I'm learning something.

I have some questions of the hon. members. I noticed that some of the farmyards in particular were well laid out. Some of them were quite big. I was quite envious of the beautiful lawns some of them had, the beautiful circular driveways, buildings spread all over the place. A few weeks ago I had the good fortune to fly in an airplane very low over France, going into Paris. I was impressed with how the farmyards there are laid out very neatly, the equipment housed very efficiently. To me it didn't seem there was very much waste. As a matter of fact, there was no waste land at all. I appreciate that there are fire concerns, but that can be resolved. I suggest to the farmers concerned about this valuable land that perhaps they're sitting on some of it around their own homes.

Also the huge road rights of way: I know we do having operations, but I question the width of some of these rights of way. Again going back to France, it seemed to be cultivated right up to the edge of the roadways. Granted, they've been farming for hundreds of years. Just the same, they are using their land very wisely. And it doesn't cost \$2,000, \$3,000, or \$4,000 an acre; maybe you're looking at \$10,000, \$15,000, or \$20,000.

Mr. Speaker, I have other concerns with the remarks of the hon. Member for Edmonton Glengarry. He mentioned soils in Calgary. He mentioned that the land north of Calgary should be where the housing is. I think that's a great idea — or west, whatever way you want to go: west, north, or northwest. He doesn't mention that the topography is very difficult, and servicing that land with sewers and water would be very, very expensive.

He mentioned too some professor who talks about the great amount of food we import. That's true. We do import a lot of food. But those of us who have been around a little longer than some of you, remember that we never used to import citrus fruit by the hundreds of millions of dollars like we do now. It was unheard of to have fresh vegetables in the winter. I'm not saying we shouldn't do this, but I suggest to you that it's very

difficult for us to do what they do in Florida and California. They have very low labor costs, tremendous climate, and fantastic soils. I do suggest, though, that we could be doing more research so that we can use the hundreds of thousands of acres that are being converted from bush into farmland every year.

Again, last winter I was riding with the hon. Member for Drayton Valley, who taught me how farmers clear land. It's done over a period of two to four years. I never could figure out why they had those piles of bush running down the middles of fields, but now I know how they clear land. We in the Research Council are hoping we can come up with some experiments in biological technology that will help soils in poor areas and areas where there's more cold weather, so that we'll be able to grow crops more quickly.

Finally, Mr. Speaker, I'd like to comment on one area the Member for Edmonton Glengarry mentioned, and that is our cheap food policy. I mentioned this the other day, and the hon. Member for Pincher Creek-Crowsnest pointed out to me that we have a cheap food policy because of our federal government. But as a city person I urge that we get away from that and pay farmers a fair price for their products, because I think food is far too cheap in comparison to other countries in the world. The other thing the hon. Member for Grande Prairie mentioned was pooling of industrial land. This was one of the recommendations of the committee I was a member of. The present Minister of Agriculture was also a member. We recommended that there be a pooling of new industrial development such as the megaprojects, that would be shared throughout the province, much like the educational foundation.

Finally, just yesterday I wrote a letter to an alderman in the city of Calgary, pointing out to him that in a discussion I had with the Minister of Housing and Public Works, one of the things we could do — without using tax dollars, just by regulation — is that in the cities of Calgary and Edmonton, particularly in the older areas, we should be encouraging more redevelopment and increasing the density so that we do not have to enlarge our cities as much as we have in the past.

MR. WOO: Mr. Speaker, in view of the time, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I move that when the members reassemble at 8 o'clock, the House be in Committee of Supply.

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

HON. MEMBERS: Agreed.

[The House recessed at 5:28 p.m.]

[The Committee of Supply met at 8 p.m.]

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

[Mr. Appleby in the Chair]

**Department of Recreation and Parks**

MR. CHAIRMAN: We have completed the list of those who indicated they wanted to make some comments. The hon. Member for Cardston.

MR. THOMPSON: Mr. Chairman, like everyone else I've read in the Blues so far, I would commend the minister, but for another reason. That is the fact that he has introduced a new concept of small provincial parks around the province. I know this is an idea that's been dear to his heart for several years, and the people from the Cardston constituency really appreciate it. The thing I like best about this concept is that it brings back a certain amount of local autonomy to these recreational areas, and I think that is going to be good for both the government and the constituency itself. I don't want to dwell on this for any length of time, but the fact that we are getting people to co-operate in the maintenance and upkeep of these parks will do nothing but give a certain amount of pride to the people in the area. I know they will come to good use.

Thank you, Mr. Chairman.

DR. BUCK: Mr. Chairman, on a point of order. Do hon. government members not realize that if we don't pass these appropriations, we won't build these wonderful parks. Has that ever entered into their consideration? [interjections]

MRS. EMBURY: I got the message. Mr. Chairman, the Member for Clover Bar will be pleased to note that I'm almost speechless on those remarks.

I don't really want to prolong the estimates, but I'd like to briefly comment on a couple of concerns that have arisen in my own constituency. First of all, I also would like to commend the minister for the large increase in the operating grants to the cities. There's no doubt at all that it will be a help.

In my constituency I have several community associations. If the minister will recall, last year I believe I did make a presentation to him and had a motion on the Order Paper which was not debated. It was: would the minister at all consider setting up a special fund with low interest rates that the communities could borrow their capital funding from for the purpose of the community associations. I realize that this might be setting a precedent, and there would be some concerns in this regard. But with the high interest rates today, it really is a hardship on our new communities that are small and struggling — and people have moved into brand-new homes — to be able to raise enough money to start to build their community associations. So I would appreciate it if the minister has given any consideration to this problem.

One other problem is also arising in the city now. While we certainly always support that in the capital section of the grants decisions on how the funds should be distributed are made at the local level, many forms of recreational facilities are now being offered in the cities. And while the community association buildings in the city of Calgary received a lot of support in the past, there is now a lot of competition for those dollars. I believe

there's a new concept for some type of building called a leisure centre and, further to that, there are the twin arenas, an excellent concept because it is shared by several communities. But it has placed another competition for the same dollars by the same communities for two different types of buildings, and this has added a great deal of stress on those dollars. While I doubt there's an immediate solution to this problem, I wonder if the minister has had this presentation made to him before, or if he's given any consideration to how those dollars could be allocated so that our community associations would benefit.

Thank you.

MR. BORSTAD: Mr. Chairman, I'd like to make a couple of comments and ask a question. I want to express appreciation on behalf of the city of Grande Prairie for the park that has been announced for Grande Prairie. I would also like to ask a couple of questions about when the terms of reference for the park will be out, so that the city can start its planning and get on with the construction of the park. I'd also like to ask if the minister has ever given any consideration to increasing the MCR grant because of the inflation factor nowadays; it eats it up and the \$100 doesn't go as far as it used to a few years ago.

MR. COOK: Mr. Chairman, I just want to make a couple of quick comments and ask a question. I want to congratulate the minister as well, as many other members have on . . . [interjection] Relax, Walt. He's done a fantastic job and I think he deserves a few bouquets.

I was very impressed by the work he's done in expanding provincial parks. The Seniors Games were a success, and I'm glad to see they're going to be adopted again this year. I'd just like to congratulate the minister.

After that preface, I'd like to pose a question to him. Looking through the estimates, I understand we increased the recreational grants program of the budget. I wonder if the minister could outline whether utility costs were a significant reason for increasing the grants. I understand a few communities were having difficulty paying their utility bills. By making that point, I'd like to ask the minister whether an energy conservation program might be useful to try to cut the energy costs of some community recreation facilities. A lot of them are relatively uninsulated. For example, when they were building curling rinks they put in as much ice as they could for the money and, I understand from talking to a couple of conservation people, didn't pay a lot of attention to insulation. So my question to the minister: rather than funding them with increased grants to pay for higher utility costs, would beginning an insulation and energy conservation program in the recreational facilities perhaps be something the department could consider, so in the long term we reduce those costs?

Again, I'm very impressed by the minister's activities and the department's performance over the last year. He deserves a lot of credit.

MR. KNAAK: Mr. Chairman, I just want to comment on the minister. I don't have any bouquets for him, and I have a reason for saying that. It's true that he's done a really good job in the department, but we expected that of him and he did it.

MR. TRYNCHY: Mr. Chairman, I'll try to be as brief as I can and try to respond to all the questions. In my opening remarks yesterday I mentioned the new . . .

MR. CHAIRMAN: Could we have order please.

MR. TRYNCHY: . . . hosting grants for the province of Alberta, and I suggested we had some 20 functions to be held in Edmonton for 1981. That was wrong. The 20 functions will be held in Alberta, with approximately seven in Edmonton, six in Calgary, two in Lethbridge, and one in Banff firmed up now, and others under consideration. So the 20 events will not be held in Edmonton but throughout the province.

Mr. Chairman, moving quickly through the questions, the Member for Calgary Millican wanted to know about Cypress provincial park, whether we were increasing the boundaries and access to water. I wish to inform the hon. member that we have not considered expanding the park to the west as yet. That could come at a later time. My understanding today is that access to water at the west end of the park will be a reality this year. We will be putting in a water well and washroom and toilet facilities at the west end of the park.

I also want to say that I will be working with Culture and other bodies to make sure that the prisoner of war camp in Kananaskis Country remains a museum piece. I'll be working with the hon. member. If he has any suggestions for us, we'll appreciate that.

With regard to his third question about the Olympics, I just want to say that we're very enthused about the Olympics coming to Calgary. We're waiting with anticipation for the vote in Baden Baden, Germany, this October. I guess we as Albertans can help by getting involved. We might all want to buy an Olympic pin, such as the one some of us have. If Albertans would buy a pin and get involved, I'm sure their bid would be successful — or the money for the bid would be what they're looking for.

The Member for Drumheller wanted to know what we would be doing at Midland park and how we would develop the park in conjunction with the museum. I wish to advise that we will be working in co-operation with the Department of Culture. We have started that. It looks good, and everything will be going as scheduled.

Little Fish provincial park is a concern to the member. I just found out today that the water in the lake is low. The fish have had some winterkill because of the low water. It's my understanding that the lake has dropped some 10 feet in depth over the last 12 to 15 years. It's all spring fed. We have more water going out than coming in, and it's seeping away. We don't know what we can do about that. We're going to try to repair our boat dock. I understand it is usable, and we've done some work on it. But if there is anything else the member would like to see done, I'd appreciate it if he'd get to me.

Lethbridge West had some concerns in regard to the handicapped centre in Kananaskis and if we work with the groups involved. I can say yes, we have. We had a special committee set up with the handicapped people so they'd have input, and we took their advice.

He also asked me to repeat the operating costs of the urban parks. I'd like to just go over that. The park instruction program will be some six years. While the park is under construction, the operating costs of any portion used will be borne entirely by the government. After completion we will provide 75 per cent of the funding for operation grants for the next two years. For the next 23 years operating funds will be split fifty-fifty. After the 25th year the park will be turned over to the cities.

The Member for Calgary Forest Lawn raised a concern

and suggested that we might consider looking at the funding program and increasing it over the next few years. I think I can answer this for all members who asked about additional MCR funding for the major cultural/recreation capital facilities. I might add that the program initiated in 1974 was a very generous program — some \$200 million plus — and expires in 1984. In checking over this type of program in Canada, we are by far the leaders in funding for capital projects. I am looking to see if we can improve the program or extend it, but as of today I would not have anything further to add that would help the members.

He also mentioned that the population growth in Calgary was such that he didn't feel they were getting enough dollars for capital expenditures. I wish to say, Mr. Chairman, that as the population grows the cities, towns, villages, and all centres can apply for the \$100 per capita grant. So they never fall behind because of growth. As growth occurs in any community, the funds follow. The concern he had was that they have 65 per cent of the population in Edmonton and Calgary, and were they receiving 65 per cent of the funds. I'd like to say that they're receiving 65 per cent because it's on a per capita basis. In addition to that, they're receiving funds in other ways, such as the coliseums in Calgary and Edmonton. The Western Canada Games facilities in Calgary are over and above the \$100 per capita.

Another question he raised was: do the cities receive 65 per cent of the funds for provincial parks? I can't answer that question, but it concerns me that it was asked in that way. As I travel the provincial parks across the province — if you go to Wabamun on a Sunday, you'll find that most of the people there are from Edmonton. When you go to centres outside Calgary — and I was in Cypress Hills Provincial Park — a lot of the people there are from Calgary and Lethbridge. So they don't stay in only Edmonton and Calgary; they move to rural areas. I guess on a given day, if you travel Highway 16 on a Sunday evening, coming back to town there's a lineup way past Spruce Grove because the people have been out to visit our provincial parks and other things in rural Alberta. So I don't think we should be measuring what we have in the cities compared to the total provincial program.

The Member for Cypress raised the question on what funding we had available for Cypress park this year. I'd like to report that the capital expenditures will be some \$1,400,000 in Cypress provincial park. We will be looking at the boat stalls in the park. I'm not sure if the scenic road he spoke about will be closed. The new master plan will be available to the public approximately the middle of June. We'll have public hearings at the park or in Medicine Hat to explain this. I think we should leave the planning to the committee. I'm sure they'll help us in our final plans in that area.

The fire risk in the park as of today is high. We will be monitoring it very closely and will close areas if we have to. I'm sure the people there will co-operate with us.

Mr. Chairman, the Member for Drayton Valley wanted to know if we had funding for Buck Lake park. Yes, this year we'll be investing some \$70,000 in planning and design. We will have public hearings in the area. We do this on all our new provincial park construction so the local people will be involved. She also wanted to know if we had looked at the area on the forestry trunk road for a second Kananaskis. I have looked at the area. It's an exciting area and has some possibilities in the future.

The Member for Three Hills put it so well when she suggested that "rural areas are holiday spots for urban

people". I guess she was referring to the Member for Calgary Forest Lawn. I would just like to say that's exactly what's happening, but that doesn't say we will not consider new programs or additions to provincial parks within the cities.

The Member for Calgary North Hill asked a question in regard to recreation ski resorts. Yes, we are concerned. We've met with a lot of people interested in having added facilities. We are contemplating moving in that direction some time this year, or as early as we can, after we see our ski study reports, which should be coming in shortly — August or September, I'm not sure — through the Minister of Tourism and Small Business. But we hope to move as quickly as possible.

The Member for St. Albert raised a point on recreation areas. Yes, as I said at the start, we have some 90 applications. The committee gave us their recommendations for 10 areas. Hopefully in the next year the program will continue. I'm sure it will. If it's a popular one, and I'm sure it will be, the area around her town that I visited last year would certainly be considered. Also the request for an urban park in her area around Big Lake — I haven't looked at that too closely, but with her comments I certainly will.

The Member for St. Paul wanted Lac Sante back. I didn't really know it was in his constituency. The Member for Vegreville was instrumental in getting me to the site. I guess it's because the Two Hills people are in his constituency, and they're the ones developing it. So I'd like to suggest that I will give it back to him, and we can call that area Lac Sante-St. Paul-Vegreville.

The question raised by the Member for Calgary North West, an interesting one and something I have given consideration to, was with regard to low-interest funding for capital recreational facilities. I might say that there is a community applying this year, through municipal financing, the Local Authorities Board, to increase the town funding for recreational facilities at low interest. So that option is available to all the cities and towns. I'm sure if they used that, they could probably get their funds considerably less than at bank interest, which is some 17 or 18 per cent, compared to 11 through the Local Authorities Board.

In regard to whether we have looked at the funding formula in the cities where we provide the total sum to the city council and they distribute it within the city, we haven't given that any consideration, but it has come to me that some of the centres within a city are not completely happy with how the funds are distributed. I'm pleased to have this recorded. It'll be a concern that I'll look at. I don't know how we could distribute the funds better through the province, but if it is a concern, I'd appreciate hearing from other city members.

The Member for Grande Prairie wanted to know when we would be commencing the urban parks program. It's my information that we're just working on a document to outline all the procedures to the cities. We expect to have that ready within 10 days. We will have the city mayors in town with the MLAs, we'll lay out the program to them, and hopefully we can commence immediately.

The Member for Edmonton Glengarry wanted to know if we were considering a conservation program instead of providing extra funds. I would suggest that with the facilities we now have across the province, it might be difficult to put that in. I suppose one could consider these programs at any new construction we would anticipate from now on. I think back to a curling rink I helped construct some years ago. A curling rink is a poor

example, because you don't use very much heat. You try to keep it just slightly heated. I'm not sure whether insulation would help. Most of the cost to a curling rink is power costs for the lights and generating the freezing for the ice plant. You might consider this in other buildings, whether community halls — I'm not so sure that even arenas would be satisfactorily insulated to conserve any heat. There again, they only use it for generating the ice plant power and the lights.

Mr. Chairman, I think I've covered most of the points. If not, I'd be glad to take them again. If I haven't covered them all, my door is open, as some of the members have said. I appreciate all the bouquets. I guess the Member for Edmonton Whitemud put it best: that's what I was hired for. I hope I've satisfied the members. Thank you.

#### Agreed to:

1.01 — Minister's Office	\$175,535
1.02 — Deputy Minister's Office	\$242,627
1.03 — Administrative Support	\$242,135
1.04 — Financial Administration	\$664,585
1.05 — Personnel Services	\$306,402
1.06 — Research & Systems	\$536,055
1.07 — Public Communications	\$469,803
1.08 — Library Services	\$65,572
Total Vote 1 — Departmental Support Services	\$2,702,714

2.1 — Program Support	\$459,766
2.2 — Financial Assistance	\$35,735,223
2.3 — Recreation Planning	\$708,904
2.4 — Recreation Program Development	\$2,426,112
2.5 — Regional Recreation Consultation	\$1,516,492
Total Vote 2 — Recreation Development	\$40,846,497

#### Vote 3 — Provincial Parks:

3.1 — Program Support	\$2,006,780
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### 32 — Operations and Maintenance

MR. SINDLINGER: Mr. Chairman, I'd like to ask the minister if any road or highway construction was carried out under this program, specifically in regard to the Kananaskis project. As a supplementary, I might ask you if all the road construction and auxiliary development in the Kananaskis park has been completed.

MR. TRYNCHY: No, Mr. Chairman, Kananaskis roads are not in this program. They come under the heritage fund, which is done every fall. If the hon. member is here this fall, he can ask that question and I'll have all the answers.

#### Agreed to:

3.2 — Operations and Maintenance	\$21,794,544
3.3 — Park Design and Implementation	\$3,009,742
3.4 — Outdoor Recreation Planning	\$1,625,540
Total Vote 3 — Provincial Parks	\$28,436,606

Department Total	\$71,985,817
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MR. TRYNCHY: Mr. Chairman, I move that the votes be reported.

[Motion carried]

**Department of Agriculture**

MR. CHAIRMAN: Does anybody wish to make any comments?

MR. BATIUK: Mr. Chairman, I would like to repeat one or two comments, particularly a week ago when the hon. Member for Bow Valley, and maybe just because Agriculture estimates were the first, said, well, finally Agriculture is coming closer to the top. I think it's been one of our top priorities for the last 10 years; it just takes a little longer to recognize.

There have been a number of good programs, particularly under the Agricultural Development Corporation. There has been a bit of criticism that the interest rates are high. No doubt they are, but when we look back to the 1930s when labor was able to earn only \$15 to \$20 per month and the interest rates were between 7 and 11 per cent, a guaranteed frozen interest of 6 per cent for five years for the beginning farmers is very reasonable.

Another thing we have to appreciate is that these loans made through the Ag. Development Corporation were loans of a last resort. Now these are people on whom no other lending institution would want to take a chance, yet only 5 per cent of those going through the Ag. Development Corporation have been proven unsuccessful. Five per cent of businesses fail, so I think this has been a very big program, and a great help to young people. At least part of those 5 per cent who failed — some of them maybe would have been successful — want to start farming on a very big scale. They want to start farming 2,000 acres and all at once have a tractor that's air-conditioned, a 2,000 square foot home, and two cars behind the home. These are the ones who very likely will not succeed. But anybody who wants to put some elbow grease into his farming has a long chance to . . .

One area where I had a bit of concern, Mr. Chairman — I think I expressed it — was when there was a stop-loss program for the hog producers. Even though I supported it, I always felt that supply and demand would look after it. Once you start subsidizing one area, something else is going to suffer. I think maybe the beef producers are feeling the pinch because of this subsidy. As I say, I supported it because it did put another \$25 million into the farmers' pockets, but I wonder whether over the long run it has its merits.

Mr. Chairman, there are provisions for loans for farmers to build homes. Very recently a couple, constituents, approached me. They needed to expand their home. They had a good well-built home, about 30 years old. But with the addition of children, they had to have two or three extra bedrooms put in. They wanted to fix up their kitchen; the wiring was already quite obsolete. They figured it would cost them approximately \$30,000 to expand that home, and it would probably be good for another 30 years. In trying to borrow money they went to the Ag. Development Corporation, which would have loaned them money without any problem for a new house. This couple was already contemplating tearing that house down and putting a new one up, but a new home would have cost \$75,000 to \$80,000. I just wonder whether sometimes it wouldn't be good to look at this area, to make provision for expansion or repairing of homes, not totally for new homes. I'm sure I'll bring this matter up when the Minister of Housing and Public Works has his estimates, because it's something to look at.

I must say, Mr. Chairman — I don't know whether I'll get another chance, but it still ties in very closely with

agriculture. A couple of members made some remarks, and I think they were not right. I should straighten them out. The Member for Spirit River-Fairview said that in case Alberta is out of the designated area, then Alberta farmers will have to pay full shot for freight to Thunder Bay. I want to make it very clear that the Canadian Wheat Board has nothing to do with the Crow rates. The Crow rates come under the Railway Act that was brought in in 1897. Also I mentioned that Alberta produces over 50 per cent of the barley and feeds 65 per cent. The Member for Bow Valley made the statement that the Canadian Wheat Board handles 83 per cent of the barley. That is not right. I have the figures of the Canadian Wheat Board, and all they handled was 37 per cent of all the sales.

I feel that the programs under Agriculture have been good, and have gone a far way to reduce the age of the farmer in Alberta. When we look at the average age of the farmer in Canada, it is 56; in Alberta, it is 44. I hope it will go down another 10 per cent. If it ever reaches the age of 35 to 40, I think it will be reasonably good.

With those remarks, Mr. Chairman, I tend to support the estimates.

MR. HYLAND: Thank you, Mr. Chairman. I'd like to address a few words to the Minister of Agriculture, especially regarding the dryness in my constituency, and especially in an area maybe a little north but basically south of Elkwater Park to the American border, going over almost as far as Etzikom and, to a lesser extent, though not much, between Cypress park and the South Saskatchewan River along the Saskatchewan border where a great deal of ranching and farming is carried on. That area is probably drier than any other part of my constituency.

I spoke to a lady who keeps records of precipitation for the federal department of — I believe it's PFRA; I'm not sure. She's about 15 miles north of the American border, almost on the Saskatchewan border. She told me that the precipitation this year from January until now was equivalent to two one-quarter inch rainstorms and two snowstorms with the water equivalent of two one-quarter inch rainstorms. The creek that normally floods its banks quite high and spring floods a lot of acres, where people in this area get their hay, to the best of my knowledge ran for about four to five days. It ran fairly early, either in late February or early March. I'm not even sure if all the frost was out of the ground, and how much good the water that ran did. I give those examples because they show the present dryness of the area.

Rain even now will help the grass; it'll come back. But they will probably need assistance in hay for their cattle this winter, because the amount of rain it would take now to make the hay come — I'm sure we'd never get those kinds of rains in southern Alberta. I'd like the minister to inform us if he or his department has made any plans for a possible drought, either for the whole province or at least for a portion of the province, and if he foresees plans going in that area.

In addition, I'd like to ask the minister a favor on behalf of those people. Approximately 20 ranchers in that area applied for assistance last year under the herd and maintenance assistance program. They have put in their applications. They have not received an acknowledgment or a refusal on these. The federal member Bert Hargrave is working to try to get them some assistance. I would appreciate it if through his office and his contacts the minister could also assist them. I think they do indeed



need help, and this is even from last year's program. That area did not receive much assistance through federal and provincial programs even though it was very dry.

I'd like the minister to comment on those items, please.

MR. R. SPEAKER: Mr. Chairman, I want to raise one topic with the minister with regard to transmission lines and the policy with regard to them. A number of constituents in southern Alberta, not only mine but others, are concerned about the route the 500 kV line is taking at this point and, except for the fact that the route has been selected, that they are victims of the location.

Since the ERCB hearings, has there been any work by the department or has the minister established any type of land-use policy with regard to utility corridors, utility lines? During the hearings the minister indicated they were concerned about agricultural land being used. But after the hearings the line moved right through prime agricultural land. A number of representations were made at that time that we should put the line further into the foothills, but that wasn't the selected route. So I'd like to know from the minister if we are looking at a policy. Are a group of people together? Are some agriculturalists saying, this is what we can do with the line in future? I'd appreciate some comments.

MR. CHAIRMAN: Did the minister wish to answer now?

MR. SCHMIDT: No.

MR. L. CLARK: Mr. Chairman, I thought you said "the hon. menace" — it kind of took me back.

I'd like to take this opportunity to say a few things. I notice the Member for Vegreville mentioned something about the increased emphasis on agriculture. It seems to me we've spent all day talking about agriculture. We started out with the Crow rates, then the motion on the conservation of farmland. Now we're in Agriculture estimates.

AN HON. MEMBER: This is where the buck ends.

MR. L. CLARK: Is that right?

We had a short discussion on the Crow rates. I hope most rural members were listening when the Member for Cardston laid out our policy as a government on the Crow rates. I have to compliment the Member for Pincher Creek-Crowsnest on laying out the history of the Crow rates, which was the struggling of a young nation starting up that had lots of land, not much money, and made a deal: land for the building of a railroad. That's how the Crow rates really started.

Then we come to our resident expert, I guess, on agriculture, the young Member for Edmonton Glengarry. I appreciate some of his remarks too. He mentioned, in passing, that we couldn't develop industry on farmland, No. 1 soils. The reason development came on what he called the "golden corridor", No. 1 soils, was that's where land was first put under cultivation and where people settled. When you get people, you get services; when you get services, you get transportation corridors; and when you get those, you get industry. If we're really serious about the decentralization policy, until we find a way of bringing those types of services into the rest of Alberta, I think we are fighting an uphill battle.

I have a couple of short questions. But as I represent a constituency that raises 9 per cent of the total grain in

Alberta, I thought I'd better talk a little about farming. When you talk about farming these days, you have to talk about the input costs. I'd just like to lay out . . . [interjection] And the young Member for Edmonton Glengarry, our regional expert, mentioned that farmers aren't getting enough money. Being a farmer, I fully agree with that. We aren't getting enough money for our product. Just for the record, I'd like to lay out some costs involved in grain farming today. I don't usually talk in statistics, but I'm going to tonight.

Let's take a look at the land, interest, fertilizer, machinery, fuel, and transportation costs. I'd like to relate these to what we're getting for our basic grain, wheat, this last year or two. In 1952 — that was the year I bought my farm — land prices were up to the unheard price of \$20 an acre. In 1972, they were up to \$65 or \$75. Eight years later, by 1980, they were up to \$700 and \$800 an acre. So those are some of the increased costs in prices of land. When I started farming you could borrow at a subsidized interest rate on the farm for 3 per cent. It is now up to 17 or 18 per cent.

Fertilizer costs: only 20 years ago, in 1960, you could fertilize an acre for \$2 to \$2.50, depending on how much you put on. Today those fertilizer costs have risen to at least \$23 to \$25 an acre. I checked these figures in a store when I was home last weekend. Machinery costs have a 10 to 20 per cent increase a year. In 1960, a 100-horsepower tractor cost \$9,000 to \$11,000, depending on what you got on it. It now runs for \$40,000 to \$50,000, if not more. I'm about a year behind on that, so it could be even more.

Fuel costs: in the town I come from, purple diesel fuel has now hit \$1 a gallon. Every morning when you step up to your tractor, you can pour \$175 right down the spout. These costs are magnified by the fact . . . Just to give you another example. When I farmed, I could farm all year on the amount of money it takes my son to fill the tanks in our yard today. That's just something to get things into perspective. Herbicide costs: a few years ago when they first came out, weed spray and wild oat spray were \$5 to \$6 an acre. They're now up to \$15 or \$20.

Transportation costs: we listened that the Crow rate was pegged all these years and was so beneficial to farmers. It has had an indirect transportation cost to farmers of many millions of dollars in lost markets and demurrage charges over the years. If we relate these costs to what a bushel of wheat is worth today — and I priced this out too — a bushel of No. 1 wheat is worth \$5.05 in the elevator in our hometown today. When I started farming in 1948, my first crop of No. 1 wheat was worth \$1.55.

If you just take a 5 per cent increase over 33 years — which is not very high when you think what the increase in prices has been — it would give you \$7.75 a bushel for wheat today. I have to use bushels because I'm not into metric. If you use 4 per cent interest over those 33 years, your wheat price would be \$5.65 today. If you take an average teacher's wage — and I happen to know one who started teaching in 1955. Let's take his starting wage and add 9 per cent to it from '55 to 1980. We come up with \$17,858. That might sound like a familiar figure, because that's just what the starting teacher's salary is today. Now let's put that 9 per cent in relationship to grain. If we had that 9 per cent raise in our grain over the last 33 years, you would be paying \$26.63 a bushel for wheat. So you can see how far farmers have fallen behind in their input costs. Yet as farmers we are expected to keep on going over the years on a 3.5 per cent increase; that's what

we've got over the years in our income.

You might well ask how they've been able to achieve this. They've been able to achieve it by being efficient. I guess that is one of the things that struck a chord with me the other day when our young agricultural engineer blamed all the troubles on the farmers. It's probably the most efficient industry in Canada today. They have simply increased their income through efficiency. That's a lot more than you can say for any other industry in Canada, especially those in manufacturing, where even with the lowest energy costs in the western world they still can't compete. This kind of leads me to my questions. I only have two short questions.

Seeing that the farmers have no control over the price of their products and are subject to the whims of the market and government policy, and seeing that the only increase they can have is by increased efficiency, especially in transportation for the province, I'd like to know what the minister sees as the province's role when it comes to making grain transportation to the coast more efficient. How can we go about that? And what end product does he see? Does he see a western grid in transportation, or what type of help can this government give? Also, where do the terminals work into this concept of western transportation of grains?

Thank you very much, Mr. Chairman.

MR. BORSTAD: Mr. Chairman, I just want to make a few comments. I want to say how much we appreciate the announcement in this budget regarding the acidic soil program. I just hope that program will be in place by fall, Mr. Minister, so farmers will be able to take advantage of it. Another thing I might mention is that we do not have an abundance of gas plants in northern Alberta at this time. I strongly urge that we consider doing a soil or baseline study so that down the road we can have a reference point to work from. I would encourage the Minister of Agriculture and the Minister of Environment to somehow come up with a program that would get that baseline study. Maybe we have to consider asking some of the gas plants that are being established to share in some of that cost when they're doing their impact study.

I believe that the beginning farmer program is a good program. But I've had complaints from a number of people who, when phoning in for information about the program, were told that they did not qualify. I think this is wrong. At least the person should be interviewed, and then he can find out whether he is or isn't approved. He should at least be given the privilege of completing a form and being interviewed. Also, I believe that farmers working out, with off-farm income, do not qualify. A recent report on northern Alberta shows that about 50 per cent of the farmers earn off-farm income and therefore do not qualify. I'd like the minister to make a few comments on that.

[Mr. Purdy in the Chair]

We've had numerous complaints about the time it takes to get loans from ADC. This causes a considerable number of problems for the person who is waiting and hoping he's going to get the loan. Eventually, six to eight weeks later, he finds out that he hasn't. I might also mention that I believe the ADC committees handling appeals for loans should be considered more. In talking to the local appeal board at Grande Prairie, it's my understanding that at times they feel frustrated. They make their comments on an appeal, and they seem not to

be taken into consideration. So I mention that as information, Mr. Minister.

I surely agree with some of the comments you made in your opening statements about the transportation and rail system, and that there has to be some improvements in the rail system. I think it should make a considerable difference with CN taking over the total rail system in northern Alberta. Instead of having three separate lines, they're all under one jurisdiction. I think that will help. But with the rising energy costs, it doesn't make much sense to me that we have trucks hauling materials 300 to 400 miles when we have a railroad operating along the same road. It seems to me that with the increased energy costs, railroads are going to have to be able to take their place in this larger role. I can see trucks always handling the short haul runs, but railroads should be able to compete on the long haul.

There were some comments the other day about a rail system being tied in from Fairview to Dawson Creek. I could support that idea, but I think it's very doubtful that will ever come about. If it won't come about, then the centres of Valleyview, La Crete, and Worsley should be looked at for some sort of off-rail terminal for grain to assist farmers in that area, rather than make them haul the 75 to 80 miles to an elevator.

I ask the Minister for his comments, please.

MR. SINDLINGER: Mr. Chairman, I'd just like to make a few brief comments, please. I'll start off by referring to a comment the Member for Spirit River-Fairview made this afternoon as we were debating the Crownsnest Pass freight rates. At that time he referred to the western economic opportunities conference in 1973, and said that the then Minister of Industry and Commerce for this government, Fred Peacock, had proposed on behalf of this government that the federal government nationalize the railways — CP rail, that is. However, the proposal the minister did make at the time was only in regard to nationalization of the railroad beds, and not the entire railway. The theory behind that was that if the railway beds were nationalized, any company or individual who wanted to could run a train over that track. So the railway roadbed would then be like a highway, where anybody with a vehicle that was properly licensed and met the operating requirements could run their train over the tracks, just like over a highway. The theory behind that was that the more people there were offering services over a railway roadbed, the more competition there would be for the volume or tonnage taken over the road, and therefore the costs would be decreased.

Now the reason I brought this up is because of the recent comments about a dual marketing system for agricultural products in western Canada and Alberta in particular. There have been some concerns raised about that, and there's a considerable amount of confusion in the province right now as to just what direction we're taking. The reason I've brought it up is because when the minister uses the words "marketing system", they incorporate a lot of different things, from the acquisition of raw materials to production, transportation, distribution, and sales. All those things are included in marketing. One of the problems with setting up a dual system that would include all those components is that there's a great deal of duplication of facilities. Now more often than not, that's not too bad. Because the more facilities we have, or the more services that are being provided, the more opportunity there is for competition; and when there's more competition, that of course keeps the price down.

However, the problem with a dual marketing system is that large scale capital costs are involved. Of total costs, capital or fixed costs more often than not comprise up to 80 per cent of the total cost. Therefore it's difficult for more individuals or firms to enter the market place and provide competitive services. The only way they can do that is to enter into what's often referred to as ruinous competition. In order to recover their variable or operating cost, which is only about 20 to 25 per cent of their total cost, they start charging fees for service which do not cover total costs but only those variable costs. They feel that as long as they can cover the variable costs and get some contribution to the total fixed cost, they're ahead. Of course they are in the short term, but over the long term they're not. They cannot go on or continue like that forever.

The best example we have of a situation like that occurred in western Canada at the turn of the century and continued on into the early 1920s. The Member for Pincher Creek-Crowsnest touched on this today when he talked about the origin of the Crowsnest Pass freight rates. He began of course with a history which started in 1897. Then he jumped to 1925 and left a big gap in there. I think what happened in the years 1897 to 1925 could be very relevant to a dual marketing system here, because at that time almost every government in western Canada felt that it would enhance their agricultural development if they were to set up their own "dual marketing system".

Provincial, federal, municipal, and regional collections of people got together and set up well over 30 different railway systems in western Canada. That was fine in the beginning, as I pointed out, because they could provide competitive services, but the only way they could compete over the long run was to charge rates which covered only the variable costs and made some contribution to the fixed costs. We know what ultimately happened to those railway services. They went bankrupt and were eventually consolidated in 1924 into what is now the Canadian National railroad.

I fear that if we extend ourselves in a similar direction now, if we engage in duplication of facilities, we're running the risk of doing the same thing in the near future. We will be running the risk of not learning and benefiting from our experience or history. That's why I'm cautious about the word "marketing". Some components of the marketing system could be duplicated and could serve the agricultural community in western Canada in general and Alberta in particular, but we must be careful about which of those components we duplicate. I think it's important therefore that when we talk about a dual marketing system, we're a little bit more specific about what part of the marketing system we're referring to.

As I mentioned, it covers a broad spectrum, from the acquisition of raw materials to production, transportation, distribution, and sales. So on the one hand, a dual system can defeat itself. Although in the short term it can be beneficial, in the long run it can ultimately increase costs.

The second aspect about it that gives me a little concern is that when we talk about a dual marketing system, we also include sales. I am a little bit hesitant to say that that would be beneficial to agricultural producers in Alberta, even in the short term. The reason is that when we have more competition, it tends to depress, suppress, or hold down prices.

If we find ourselves competing in the international market place with other producers from Canada, we are going to be competing with fellow producers in western

Canada for sales to offshore customers. Those offshore purchasers will pit one Canadian producer against another, and the ultimate impact will be repressed prices.

So the caution I have about a dual marketing system is twofold. One, unless we're very careful and selective about those components of the total marketing system we duplicate, that duplication could lead to a duplication of large, fixed-cost facilities which will ultimately increase costs for producers. Second, if we find ourselves competing offshore with other Canadian producers, the increased competition will decrease the price. In either case, the increased cost or the decreased price will do nothing to enhance the profitability of agricultural producers in Alberta.

The question I would like to leave you with is this: I understand what we've been doing in terms of acquiring inland terminals, large consolidation points. I understand the benefit of acquiring railroad hopper cars, and the benefit of acquiring or helping to develop Prince Rupert Neptune terminals on the west coast. I understand those as being beneficial in the short term and having merit in their own right, but what I don't understand is where we're going in the long run and how those different individual actions will be brought together to form one coherent system for Alberta producers compatible with the long-run interests of the agricultural community in western Canada. Would you please, sir, indicate to me what long-range planning has been done in that regard? What is ongoing? What is the ultimate objective? Thank you.

MR. SCHMIDT: Thank you, Mr. Chairman. I would perhaps start at the beginning as they appear. I'd like to reply to some comments by the Member for Edmonton Glengarry last Friday. The questions came in three phases: one on energy conservation, one on the use of prime agricultural land, and the other dealt with the area of research and development.

[Mr. Appleby in the Chair]

To start with, I would like to touch on basically the area of research and to say that although we as a province may have been late in starting agricultural research, this last three-year period has not only achieved a number of areas of research, expenditure, and commitment of fairly large amounts of money, but has in a very short time achieved some successes. I would like to point out that in the \$10 million Farming for the Future program, which is in its third year, we have added further funding and a further five-year commitment. Perhaps the only problem that exists in agricultural research for the future will not be in the amount of funding but in the availability of knowledgeable people to carry out the areas of research.

The areas that moneys have been expended in have covered the broad spectrum of all agricultural production. That leads to the area of energy. The member suggested that perhaps the question lent itself to those areas of research that lent themselves to energy saving as far as agriculture is concerned. A fair amount of money has gone directly into farming practices that lend themselves to energy saving, those that tie directly into research, and some funding to the farming communities carrying out the research themselves, and well in the areas of summerfallow — the results of taking fallow out and going to crop rotations, the use of legumes in alfalfas and clovers, and building up certain types of soils that still

provide a cash crop but at the same time build up the soils in that particular area. The zero and limited tillage programs that farmers, with the support of the government, have been experimenting with and carrying out themselves have indicated in certain areas that although equipment change becomes rather expensive, some of the results are certainly encouraging. Of course input costs for those basic products and crop years with limited expenditures in farm fuel, over and above a normal planting year, have been substantial and show some increase. So there are areas to which we have been providing funding that have met some of the criteria for saving energy and, at the same time, increased the return to the farmer by cutting back on input costs.

There is also some research and funding available for those areas of specialty crops making use of waste heat. The ones of a larger nature that come to mind are those that will be using waste heat from fertilizer plants, and other related oil industries that convert waste heat for greenhouse operations. Certainly there have been some very good results, and indications are that perhaps we can enhance a fledgling industry in the province. That's the greenhouse industry. It is becoming very competitive with imported foods.

Research has been going into forms of usable energy that come from farm manures. Some work will be going ahead in the use of white poplar for the production of methanol, and some study into alternative forms of fuel that may replace some of the activities on the farm field itself. So we're quite pleased with the results, even though research is in its infancy as far as we're concerned. I understand three to five years is certainly not a long time, and we're quite pleased with some of the activities we have been successful in over that short period.

Hon. Member for Vegreville, I'd like to just touch on the stop-loss program with the expenditure of \$17 million over the period of one year. We believe we've achieved what it was basically established for; in other words, a direct influx of funding on the immediate need for an industry, and the numbers are ongoing. We were producing about 15 million hogs a year. We have the figures over the period of depressed prices. The stop-loss program has kept our production at the basic rate it normally would have been had prices been normal. So we feel that program was well worth while. It has kept the hog industry in this province on a level keel. From here on in, with some form of assurance, hopefully we can look forward to a stabilized market that will keep us at 15 to 2 million hogs a year.

Just to touch on both farm home programs that are available: funding through ADC and the Alberta Home Mortgage. We feel that so far we have met the need for requests for homes on farms. I believe there is flexibility in the ADC program to take care of some upgrading rather than to tie it to new home construction. I would be very pleased to look at that.

The Member for Cypress questioned where we go on the drought program. At the end of March we completed the last program in feed freight assistance. The pumping equipment used as part of our drought program last year is busy, and will be busy all summer. We intend to keep providing support for dugout filling and the movement of water for those who find themselves in dire need of potable water for both their own consumption and livestock use. So that program will continue.

The herd maintenance program mentioned is of a federal nature. We have had some problems, mainly in lack of communication, because of course many of our pro-

ducers were unaware of the program. When they did become aware, they were wondering who was eligible. We have done as much as we can in the communication point of view to bring to our producers the facts on what the program covered, in hopes that they'd made the applications. We have followed up for those who have had difficulty and have contacted us. If the information is forwarded to us, we'll certainly be pleased to act on behalf of those producers and make representation if they're finding it difficult to get in touch with the federal people.

Collectively for western Canada, if there is an indication of drought, whether limited to one or two provinces — and hopefully it will disappear — if it should continue, we will have the opportunity to band together and make representation to the federal government for a continuing type of program, recognizing some of the problems that existed last year. Hopefully, if it's necessary, we'll have that opportunity to enter into a program we will have the opportunity to present on behalf of both the federal people. As a province we have always had, if necessary, a feed freight assistance program, and that of course would continue. So to the Member for Cypress, let's hope that the drought as it appears is very, very limited and short-lived, but we would be in a position to gear up to meet whatever is necessary if it should continue.

The Member for Grande Prairie touched on soil acidity and the liming program. I can assure the hon. member that the program will get under way so that it will meet some of the producers' requests this fall. The only point that could cause us some difficulty is source of supply. At the present time it would appear that we will be able to get under way and meet some of the needs. There is a large area throughout the province that will require lime and, of course, once one limes it will be an ongoing type of program, recognizing that each parcel can utilize lime about once in a 10-year span. Hopefully the program will meet some of the requests that are coming in and, secondly, bring back into production some of the loss that exists because of the lack of liming and the soil acidity.

The monitoring in regard to gas plants: we have done some very limited work on actual monitoring of land and its effect in setting up a base. It will be interesting that this summer we will have available to us for the first time a research aircraft so equipped that we might be able to monitor some gas plant emissions, which was never able to be done in the past. The aircraft will basically be tied with the weather modification program, but has that capability and will also have the time. We hope to utilize it in a very broad way, and hopefully will be able to come up with some answers that haven't been available to us in the past.

In regard to the Agricultural Development Corporation, the beginning farmer program: first of all, off-farm income is not one of the factors that outlaws you from being eligible. Off-farm income is part of the farming practice today. If they stretch off-farm income to the point that the individual has little or no intention of becoming involved in agriculture full-time, and is approaching it from a hobby point of view that is the only stipulation one could arrive at; the only time I could see that off-farm income would make you ineligible to make an application. So I would be pleased to intercede if you have any problems in making that application.

We are shooting for a time factor in applications. We feel that about a six-week period is acceptable, recognizing the pressures that have been on the program for the last year. Some time frames for applications have been

longer than that. We feel that we would like to approach and achieve the six weeks and, if we could, I would be quite pleased with that time frame.

Secondly, it has always been a concern — in recognizing the good work that the appeal boards can do in a particular area and recognizing that they are made up of local representatives, we are reviewing the situation to see whether those appeal boards can be made use of to a better degree than they have been, rather than just hearing appeals as if they might have some input on the original application. We are looking at those areas at present.

The comments made in regard to the total transportation package for the Peace: we recognize that perhaps there will have to be some off-rail storage. We've had some recommendations on the one study available. Also we have given Alberta Terminals Ltd. the responsibility of taking a look at the movement of grain in the total Peace area to see how we can best utilize what exists; to what extent we can best share with the British Columbia railroad, whether or not Rupert comes on stream, the railroads that exist. We also recognize that if storage is a problem, we'll probably have to look at some form of storage somewhere in the Peace. Of course Valleyview is one of the key areas we've been looking at. So I'll be happy to keep the hon. Member for Grande Prairie updated as to how we go. In fact you'll probably find that you will have to be part of some of the decisions made there.

A question was posed by the hon. Leader of the Opposition in regard to transmission lines. We recognize there's a difference between those that already exist and some of the smaller lines that have caused problems throughout the irrigation areas. We had a small pilot project dollarwise to help some relocations. Some work from a research point of view has been done on a buried cable on short spans to see whether that could be one of the answers to the conflict that will always be there between lines, whether they be high tension, and farming practices. Suffice it to say that we have provided one person full time for hearings, to be absolutely sure the agricultural community and agriculture *per se* have representation in regard to problems that would exist if lines encroach upon farmland. The last design and routing I saw in regard to high tension lines that run south and west of the city of Edmonton give us the indication that wherever there is good farmland, they are going to run in straight lines. In other words, with changes in the design of high towers, putting in fewer of them, and sticking closer to rights of way, hopefully we may be limiting some problems that existed in the past. We could use less of the farmland itself and create less inconvenience. So we have appointed a full-time land-use officer, over and above the individual who represented agriculture at all the hearings. Perhaps with two people involved, we might be able to see that the presentation on behalf of agriculture at the early stages is such that we can reach some of the decisions that will give us direct lines following roadways rather than cutting diagonally across productive land. Even in areas where irrigation doesn't exist, it's still a hindrance to the operation of farmland. So I think we're making some gains there. I was quite pleased with the last design I saw for the movement of power generating stations into the city of Edmonton.

I would like to thank the Member for Drumheller for the submissions he made on behalf of Agriculture, and agree that agriculture as an industry has to take no back seat from a production point of view, both in quality and

quantity. I'd like to say to the hon. member that of the input costs and the return you receive for the commodity you grow — in other words, the market — the one seems to be growing faster than is being recognized for what you receive for the product you grow. The question was asked: where do we as a government go from here? I guess an unwritten law that agriculture has the responsibility of providing cheap food has always been recognized. That is a myth we're going to have to get rid of. If we're going to assume that responsibility of providing cheap food, then the balance and the differential has to be made up in other ways. Either we go to a heavily subsidized portion to meet those requirements or we go the normal route where agriculture is accepted as any other business. The old adage of cheap food must change. I couldn't agree with the comments the hon. Member for Drumheller made.

Where do we go? How do we utilize the terminal system that exists? First of all, the purchase of the terminals: they were part of the system. Had they been taken out completely — in other words, sold to interests other than the grain industries — at that time we felt it would be a blow to the total transportation and grain handling system in the province to lose the facility of three of its terminals, not stating that the terminals were being used to their best capability, but the loss of them would have been disastrous. It was on that assumption the province bid on and purchased the three terminals, with the view that perhaps better use could be made of them for producers in the province.

We have been operating under the new Alberta Terminals Ltd. and the new board for about six months. Some basic views and changes will be forthcoming in the coming year. Some decisions have to be made. In fact all the terminals will require some upgrading. The question is to what degree and, if so, to what extent; and whether one should consider the terminals in their present location or, in some cases, whether they should be relocated. Hopefully they should be able to fit into the system, and have already in the movement of the product, rather than being more storage oriented. As I say, we've been operating under its new board for about six months. The cleaning system and the movement to date gives us an indication that perhaps the throughput with the use of the terminals can be increased far beyond what it has been, and the increases to date are encouraging. Of course that movement has to be tied to the return to the producer.

The Member for Calgary Buffalo commented on the total transportation system, dual marketing or transportation systems, use of terminals, hopper cars, Rupert, Neptune, and where we go for our long-term planning. Suffice it to say that first of all a dual system — I guess the only dual system we've been talking about is an opportunity. That would have to be a choice of sale for the producer. That would tie into a dual system of whether the individual were interested in selling through the board or through the open market. I see little difference in the duplication of facilities, other than perhaps a different use of what already exists.

There would have to be some changes, and one would have to recognize that we as a province are part of the total system in western Canada. I suggest to the hon. member that that part has to be not unlike the system that exists elsewhere. Hence, a choice of how one goes — I don't see it that different, nor upset if that choice were extended across the board as far as western Canadians are concerned, recognizing that some changes would have to be made regarding the opportunity for the open system

to market its grain and move it, even under the same system that board grain is moved now.

The question of long-range use of terminals, hopper cars, and ports, period and whether we would be involved. I'm thinking of Rupert as part of the consortium. It would appear that responsibilities from the port point of view are going to have to be changed, both from a federal standpoint — and that change, if it were recognized from the port authority point of view — we as a province are going to be very dependent on the use of all the ports.

The question was mentioned in regard to the future of Neptune. Neptune will provide an outlet for some specialty crops grown in the province. From an agricultural point of view, it lends itself to those areas of de-hy. If they're used and shipped through those special ports, they will perhaps take some of the load off other ports of entry used in Vancouver. The hopper cars of course have been added to the fleet that already exists in western Canada and will be used no differently from other hopper cars. The question is where we go from here, because there's no indication that the numbers there will suffice down the road. There will have to be additions. The question is by whom and how many.

The use of the terminal system: perhaps the long-term goal we're trying to achieve is increased throughput, at times — and I think of the terminal that exists in Lethbridge — an opportunity for a particular part of one production season to handle one specialty crop. It could quite easily take all the soft white wheat out of the normal system, if it were to have that opportunity, utilize that terminal for that particular crop year, and perhaps could be in and out and sold in much less time. If that were the case, that Lethbridge terminal would have achieved a turnaround time for a particular commodity and would've been out and long gone and then available for other inputs as well. So long term, yes; not from the storage point of view; hopefully an opportunity of collection; it has the capability of cleaning; and the throughput of clean grain from the terminal to whatever seaport were available.

As we look at changes that are requested for long-term transportation, the ownership of terminals gives you the flexibility to move with them to better utilize in whatever direction is required in regard to enhancing whatever transportation package is necessary. Hopefully, that flexibility will exist.

Mr. Chairman, I think that's touched on most of the questions that have been asked.

MR. SINDLINGER: Mr. Chairman, first of all, I'd like to thank the Minister of Agriculture for a very thorough and reasoned response to my question. I'd like to put three supplementary questions to the minister. First, could the minister indicate what the throughput charges are for the inland terminals? Are they expected to stand on their own and support themselves? Second, I wonder if the minister could briefly review Alberta's position in regard to Neptune terminals and what our long-term financial obligation is to Neptune; that is, will Neptune be expected to stand on its own merit and sustain or support itself through its throughput charges?

Finally, in your response, you made reference to changes in port authorities. I presume you were speaking about the National Harbours Board. I would like to ask if any representations have been made to the federal government on behalf of this province, in consultation with

other provinces, in regard to specific changes in the National Harbours Board authority.

MR. SCHMIDT: Mr. Chairman, I can't comment on Neptune, because the only involvement we as a department have is the support to the alfalfa de-hy industry and their very limited way of being tied to Neptune itself. It's our intention that Alberta Terminals Ltd. stand alone financially, that they be self-sufficient and pay their way, recognizing that they're there on behalf of Alberta producers. It's just a matter of paying their way, and whatever benefits accrue should accrue directly to the producer.

Representation to the Harbours Board wouldn't be the responsibility of this province. Just a comment in regard to how important whatever changes are necessary for the use of port facilities are to the producers of this province: of course we're concerned, but it wouldn't be our position to be making application to the National Harbours Board, although on behalf of producers we'd be happy to talk to those responsible for the port facilities.

MR. SINDLINGER: Thank you, Mr. Chairman. Just for clarification, you made reference to Alberta's involvement at Neptune and the alfalfa de-hy facility. I'm not clear on that. Do we have a financial obligation there or just in supporting the operation of that? And is there also another involvement by Alberta in Neptune terminals? I'm just not clear. Perhaps if you would make the distinction now, I could get to it in the other minister's estimates.

MR. SCHMIDT: In regard to Neptune, I would suggest that you wait until the estimates of Economic Development. The only involvement the Department of Agriculture has, both financially and otherwise, would be through the alfalfa de-hy industry itself. It's the industry that is tied directly with Neptune, and of course we are interested in the de-hy industry for this province.

MR. SINDLINGER: Just one final again. The minister mentioned that Alberta was financially involved in the alfalfa de-hy facility. My question would be, to what extent? What is the order of magnitude of that financial involvement?

MR. SCHMIDT: The province of Alberta being financially involved with the de-hy industry from day one; that's our involvement. They have had an offer to be part of the terminal at Neptune. If that option were chosen, it would just be because of the interest we're involved with with the de-hy industry itself. Or if that option were dropped, it would be of interest to us on behalf of the industry.

MR. SINDLINGER: Excuse me, just finally for clarification. To this point in time the Alberta government has no financial input into the alfalfa de-hy facility? We have not expended funds on the alfalfa de-hy facility at Neptune in any way?

MR. SCHMIDT: Yes, through the financing of the alfalfa de-hy industry, we have an amount of money involved in the total industry in the province. But I think you're trying to separate the amount of money we're involved in with the industry and tying up the legal tie with the industry's involvement with Neptune, which is tied with

the industry and not with the province.

Agreed to:

1.1.1 — Financial Services	\$ 1,049,150
1.1.2 — Personnel	\$459,880
1.1.3 — Communications	\$2,881,477
1.1.4 — Computer Services	\$1,165,917
1.1.5 — Minister's Office	\$158,249
1.1.6 — Deputy Minister's Office	\$212,998
1.1.7 — Agriculture Library	\$262,136
1.1.8 — Director — Departmental Services	\$220,507
1.1.9 — Assistant Deputy Minister — Research and Operations	\$407,327
Total Vote 1.1 — Departmental Services	\$6,817,641
1.2.1 — Planning and Research Secretariat	\$786,803
1.2.2 — Agricultural Societies and Research	\$11,045,000
1.2.3 — Farmer's Advocate	\$213,045
1.2.4 — Surface Rights	\$1,027,812
Total Vote 1.2 — Agricultural Assistance	\$13,072,660
Total Vote 1 — Departmental Support Services	\$19,890,301

Vote 2 — Production Assistance

2.1 — Program Support	\$1,315,044
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## 2.2 — Irrigation

MR. SINDLINGER: Mr. Chairman, in regard to 2.2, irrigation, could the minister please indicate what similarity this irrigation expenditure had with those expenditures by the heritage fund on irrigation? Were they complementary, supplementary, or adjacent to?

MR. SCHMIDT: Mr. Chairman, under the old system of both the agricultural portion and the Heritage Savings Trust Fund, there has always been approximately \$2 million carried in this vote to supplement the Heritage Savings Trust Fund expenditure. The Department of Agriculture joining the new 15-year water management program with the Department of Environment and Agriculture's establishment of its five-year program of \$100 million now takes care of all the requests from an irrigation point of view out of the Heritage Savings Trust Fund, which will be approximately \$20 million this year. Hence there is a reduction in this particular vote by \$2 million.

Agreed to:

2.2 — Irrigation	\$4,383,843
2.3 — Animal Products	\$7,865,119
2.4 — Animal Health	\$5,196,377
2.5 — Plant Products	\$14,157,246
Total Vote 2 — Production Assistance	\$32,917,629
3.1 — Program Support	\$835,187
3.2 — Marketing Services	\$6,031,101
3.3 — Economic Services	\$1,959,761
3.4 — International Marketing	\$2,928,955
Total Vote 3 — Marketing Assistance	\$11,755,004

4.1 — Program Support	\$1,990,914
4.2 — Family Farm Services	\$6,814,977

4.3 — Advisory Services	\$7,057,416
4.4 — Community Services	\$8,311,280
Total Vote 4 — Rural Development Assistance	\$24,174,587

Total Vote 5 — Agricultural Development Lending Assistance	\$26,175,000
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Total Vote 6 — Hail and Crop

Insurance Assistance	\$5,554,000
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Total Vote 7 — Financing of Alberta

Grain Terminals	\$2,500,000
Department Total	\$122,966,521

MR. SCHMIDT: Mr. Chairman, I move that the votes be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that there be granted to her Majesty for the fiscal year ending March 31, 1982, sums not exceeding the following for the department and purposes indicated: for the Department of Recreation and Parks, \$2,702,714 for departmental support services; \$40,846,497 for recreation development; \$28,436,606 for provincial parks;

For the Department of Agriculture, \$19,890,301 for departmental support services; \$32,917,629 for production assistance; \$11,755,004 for marketing assistance; \$24,174,587 for rural development assistance; \$26,175,000 for agricultural development lending assistance; \$5,554,000 for hail and crop insurance assistance; \$2,500,000 for financing of Alberta grain terminals.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow the intention is to continue with Committee of Supply and call the estimates of the Department of Economic Development. At the same time, Motion No. 10 will be called. None of the other departments are likely to be called tomorrow. If there is additional time, I think perhaps the best thing to do would be some second readings of relatively uncontroversial Bills. I don't want to be in the position now of predicting there'll be time for that tomorrow; it's just a possibility.

[At 9:52 p.m., on motion, the House adjourned to Friday at 10 a.m.]

