

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, October 21, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MRS. LeMESSURIER: Mr. Speaker, it is a privilege and honor for me to introduce to you and to this Assembly the High Commissioner for Refugees, Mr. Terrillon, who is the representative in Canada for the United Nations. Mr. Terrillon recently remarked:

We live in a troubled world torn by violence, conflict and oppression, of which the refugees are a tragic consequence.

I think it is important for this Assembly to know that under the care of the United Nations, there are a number of refugees and displaced persons in this world that total approximately 10 million. The office of the United Nations High Commissioner for Refugees has recently won, for the second time, the Nobel Peace Prize.

Mr. Terrillon is seated in your gallery, Mr. Speaker. I would ask that he rise and receive the very warm welcome of this Assembly.

head: TABLING RETURNS AND REPORTS

MR. HYNDMAN: Mr. Speaker, I wish to table four copies of the annual report of Alberta Treasury for the fiscal year ended March 31, 1981.

MR. JOHNSTON: Mr. Speaker, I'd like to file with the Legislative Assembly three important communications with respect to the current discussion on the economy and the constitution. The first two deal with the communiques arising from the premiers' conference in Montreal; the first one issued by the 10 premiers, calling for an economic conference in Canada, and the second one a communique with respect to the constitution.

Mr. Speaker, I also table a press release from the office of the Prime Minister, in response to the premiers' communique on the constitution. Additional copies will be available for all members.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SHABEN: Mr. Speaker, it's a pleasure for me to introduce to you and to members of the Assembly a group of grades 7, 8, and 9 students from the Gift Lake school, in my constituency. Their group leaders are Mr. MacDonald and Mr. Rees; also with them is their bus driver Mr. Peterson. They are seated in the members gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

MR. MAGEE: Mr. Speaker, it gives me great pleasure today to introduce to you, and through you to members

of this Assembly, 60 students from Central junior high school in Red Deer. They're accompanied by two of their instructors, Mr. Phil Jensen and Mr. Kelly Rainsforth, and by bus driver Mr. Percy Gerald. They're seated in the public gallery, and I wish they would stand and receive the traditional welcome of the House.

head: ORAL QUESTION PERIOD

MR. R. SPEAKER: Mr. Speaker, I would like to direct my first question to the Minister of Utilities and Telephones, with this preamble: if the Premier has returned from an event discussing the constitution and something important has happened for this province, a ministerial statement should have been made in this Legislature by the Premier. It is not my intention to enter into questioning in that area.

Utility Rates

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Utilities and Telephones is with regard to some of the needs of Albertans. I'd like to ask what stage the rationalization going on in terms of power rates is at, and when the government intends to take a position on that matter.

MR. SHABEN: Mr. Speaker, the work of the Department of Utilities and Telephones on the question raised by the hon. leader has been going for about two years, in terms of our examination of the utility structure in the province, as well as rate differentials within the province. That work is proceeding. Beyond that, no final decisions have been made by the government in that regard.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what groups or areas of the province are requesting that this rationalization or equalization of power rates across the province be established?

MR. SHABEN: Mr. Speaker, the issue of differences in rates, and the request for some attention by the government, has gone on for quite a number of years, not merely the last two and a half. Some of the groups that have requested consideration of the problem are the rural electrification associations, the communities in Alberta that have somewhat higher rates than those enjoyed principally by the citizens of Edmonton and Calgary, as well as citizens at large. I'd like to repeat that those requests have not come forward only in the last two and a half years; they have been before us for a number of years.

MR. R. SPEAKER: Mr. Speaker, can the minister indicate what, in the mind of the government, will be the most priority benefit that will accrue to Albertans by that equalization of rates?

MR. SHABEN: Mr. Speaker, examining the utility structure was an important part of the work in the course of the past two and a half years. Throughout the province there is a wide differential in basic rates. Those vary not just between urban centres but between rural parts of the province.

Of course, as all members are aware, the rates are regulated by the Public Utilities Board, but that regulation results from certain factors that go into determining

what is a fair return to a utility, based on cost of service. That examination results in an awareness by the government that there are major rate differentials throughout the province. The government and the department are simply examining the problem and looking for possible solutions that might reduce that rate differential, which does cause some considerable difficulty to citizens in some rate classifications.

MR. NOTLEY: Mr. Speaker, a supplementary question. Reports have indicated that the minister has suggested that his favorite option as to a solution may be the introduction of some form of marketing board. Is the government in a position at this stage to give the House any indication of whether a marketing board is the most favored option, and a target date as to when Albertans who face discriminatory rates may in fact find some solution?

MR. SHABEN: Mr. Speaker, in my earlier response to the Leader of the Opposition, I indicated that the government had made no final decision, and that is the present status. Of course, it's only proper that in examining a problem we look at all possible solutions and, in the process of doing that, one of those possible solutions is some form of averaging, blending, or cooling of energy in order that wholesale rates throughout the province are the same.

MR. NOTLEY: Mr. Speaker, a supplementary question. What is the current status of the options which have been attributed to the minister? Are they being discussed with the utilities? Are they being discussed by the Electric Utility Planning Council? What is the status with respect to those options at this stage, and when can this Assembly expect an announcement as to the favored course of action by the government?

MR. SHABEN: Mr. Speaker, the present course of action the department is pursuing is liaising very closely with the utilities in the province. That's going on right now, not only with the utilities — and I'm including the municipally owned utilities, Edmonton Power and Medicine Hat Power, and the investor-owned utilities, TransAlta and Alberta Power — but with those cities that purchase electric energy wholesale and distribute it, such as the city of Calgary. Discussions are going on right now with officials of our department and those utilities and interested cities.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Has the minister given officials of the department any clear-cut time frame with respect to carrying on these discussions, so that the options can be crystallized and examined by both caucus and cabinet, and the people of Alberta will have some idea when an announcement on a form of wholesale power rate equalization will be made? Is there any target date at all for an announcement of this policy?

MR. SHABEN: Mr. Speaker, the structure of the utilities in the province is rather complex, and I don't believe it would be wise to move more quickly than it could be done in a way that's equitable and fair and the utilities could respond. So I have not given a precise time frame in which we should reach a conclusive decision by the government and the department as to what course of action, if any, should be taken.

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the minister relative to rates and electrical energy in the province. Could the minister indicate as well the present status of the discussions on the western electric grid and the minister's comment that if an agreement isn't reached by the end of 1981, Alberta would not proceed any further with that program?

MR. SHABEN: Mr. Speaker, as the hon. leader knows, the question of reaching an agreement on the western electric power grid has been before us since early '78. There have been extensive discussions and negotiations between the three provinces.

I suppose the comments I made earlier this year with respect to a time frame related to our long-range planning in terms of energy supplies for the province. As the hon. member knows, the ERCB hears applications on the recommendation of the Electric Utility Planning Council, so that we meet our electric energy needs. My comments were made in the context of there being no difficulty in meeting Alberta's electric energy requirements.

Applications for a new plant are now before the ERCB, as well as a plant that is presently under construction, so I don't believe that that time frame is that rigid beyond the end of this year.

MR. LOUGHEED: Mr. Speaker, perhaps I could supplement the answer given by the hon. minister to say to the Legislature that I hope to have something further to say on that subject tomorrow.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. Would that statement be in question period or through an announcement by the Premier?

MR. LOUGHEED: Mr. Speaker, I'm always easy and flexible about those matters.

MR. NOTLEY: Why not today?

MR. R. SPEAKER: Mr. Speaker, could the Premier present the information at this time, when the matter is under discussion and the subject is of interest?

MR. LOUGHEED: Mr. Speaker, I can't make any observations on the subject until tomorrow.

Cattle Industry Monitoring

MR. R. SPEAKER: Mr. Speaker, my second question is to the Minister of Agriculture. It relates to a number of questions we have raised in the Legislature with regard to monitoring by the minister and the department. The concern in the cattle industry is that the minister's monitoring may not be as effective, efficient, and thorough as is hoped. Could the minister indicate just what that monitoring system is and how it is updated each day, so that a decision with regard to support or non-support for the cattle industry can come about?

MR. SCHMIDT: Mr. Speaker, the market conditions throughout the province run daily, from day to day, dependent upon the auction mart and its day of service to a particular area and to the industry. Of course, that varies from Mondays to Fridays. At the present time, we have five weekly basic livestock sales tied directly by computer to the department, and they geographically cover most of the province, starting at Lethbridge, Mac-

leod, Calgary, Clyde, and Ponoka. Besides those five, we have a report covering the daily sales of each auction mart throughout the province.

So it ends up that at the close of each day, if three particular auction marts held a sale for that day, we receive the average price for the tops, for good quality, and those splits between the heifer and steer sales. At the end of each week, of course, that gives us the opportunity to cover the total province. It also keeps us updated daily on the fat-cattle return at the two larger centres; as well, the opportunity to monitor the results of those sales, which I must say have been fairly steady pricewise across the province, with some slight increase, recognizing that at this particular time a majority of top quality calves reach the market. The price indicated across the province really shows no geographical preference, other than what has always been recognized from differentials between north and south — a steady market.

So yes, Mr. Speaker, we feel we have the opportunity to have a daily report that is as current as any market could be.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. In the last two days there have been calf sales in the province, and the information I have is that prices were down somewhat. Could the minister indicate what information was received in terms of calf prices from, say, the Clyde sale yesterday? What effect would those prices have on a policy by government?

MR. SCHMIDT: Mr. Speaker, I don't have the exact Clyde price, but I have the average provincial price of a good quality calf, as of today. It averages 68 cents for heifers and 73 for steers, recognizing that that average can be exceeded with some top lots and, of course, some lower. But the average for good, standard quality calves runs 68, 73.

First Ministers' Conferences

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to the hon. Premier. It relates to the recent premiers' conference in Montreal and the premiers' communiques from that. Has the Prime Minister responded to the premiers' communique requesting a first ministers' meeting on the economy?

MR. LOUGHEED: Mr. Speaker, to my knowledge there has been no response by the Prime Minister, as of this moment, to the request by all 10 provincial premiers in the communique filed in the Legislature today with regard to a first ministers' meeting on the economy.

MR. BRADLEY: A supplementary question to the Premier. In his response to the request for a meeting on the constitution, the Prime Minister suggested that the proposal to hold the meeting the week of November 2 would necessitate delaying the federal budget. Could the Premier advise whether it was the intent of the premiers' meeting in Montreal to have that constitutional first ministerial meeting delay the budget?

MR. LOUGHEED: Mr. Speaker, no, on the contrary. As we said in the communique I just referred to, by all 10 premiers, which was issued on October 19 from Montreal, we — and I believe the Canadian people — felt that the economy should be the Prime Minister's number one priority.

In the other communique by the eight provinces who want a made-in-Canada constitution, we set forth the view that the Prime Minister could convene a conference in the first full week in November. So I don't understand the Prime Minister's response. Certainly our request didn't necessitate a delay in the federal budget, because the first ministers' conference on the constitution could have been held on November 4, 5, and 6.

I shouldn't be uncharitable, to suggest some apprehension that it might be that the Prime Minister wishes us to have come to Ottawa and departed before we see his budget.

MR. BRADLEY: A further supplementary to the Premier. In reading the Prime Minister's response to the request for a meeting, I detect that it appears to be ultimatum-oriented. Could the Premier advise the Assembly what effect the tone of the Prime Minister's response will have on the proceedings at the first ministers' conference?

MR. LOUGHEED: Mr. Speaker, that's a difficult question to answer without further consultation with my colleagues who want a made-in-Canada constitution. But rather than it being the last chance for us to discuss the constitution, the meeting proposed for November 2 is really the first chance for effective constitutional discussion since the Supreme Court of Canada decision. I am troubled by the tone of the Prime Minister's communication. I hope I'm wrong about that, but the tone is certainly of an adversary, confrontational nature.

MR. BRADLEY: One final supplementary to the Premier. Has the format for the first ministers' conference been decided, and has the question of whether ministerial level discussions will precede that meeting been decided?

MR. LOUGHEED: Mr. Speaker, I hope that's still a matter of ongoing discussions between the provinces and the federal government. Certainly any conference as important as this one on the constitution, needs the maximum degree of advance preparation to improve the prospect for success.

One of my colleagues — and he may have been public about it today — said that he trusts that the refusal of the Prime Minister to discuss advance preparation was not a script for failure. In our view, there's no doubt that the format of the meeting has to allow an adequate opportunity for Canadians to be aware of and to understand the magnitude of the issues involved.

MR. GOGO: A supplementary question to the hon. Premier, Mr. Speaker, in line with the question of the Member for Pincher Creek-Crowsnest. In view of the importance to all Canadians of the upcoming meeting, could the Premier do all he can to ensure that this meeting be televised, so that all Canadians can participate in some meaningful way by watching it?

MR. LOUGHEED: Mr. Speaker, it certainly would be my view — as it has been quite consistently — that a significant portion of the meeting should be open, and hopefully televised, for the public to understand the issues, as I was responding to the last question from the hon. Member for Pincher Creek-Crowsnest. By the very nature of circumstances, there is a need to have discussions in camera, if you like, between first ministers.

My recollection of the conference we last held in

September 1980 was that we had basically four days of public communication and one day in camera. This might lend itself to some alteration of that, but hopefully not too extensively.

DR. PAPROSKI: Mr. Speaker, a supplementary to the hon. Premier. Would the Premier indicate to the House whether during the discussion of the first ministers the provinces of Ontario or Quebec indicated in any way that they are prepared to alter their veto positions?

MR. LOUGHEED: Mr. Speaker, with due respect to the hon. Member for Edmonton Kingsway, by signing the constitutional accord of April 16, 1981, the province of Quebec has in fact made a very significant move and basically waived its veto position under the amending formula. To this point, the province of Ontario has not, in my understanding of the circumstances and the statements made by that government, altered its position of pressing for a veto, which is what the Victoria formula or the constitutional resolution of the Prime Minister really results in.

MR. SPEAKER: The hon. Member for Calgary Currie, followed by the hon. Member for Bow Valley.

MR. D. ANDERSON: Mr. Speaker, my questions were dealt with by the hon. Member for Pincher Creek-Crowsnest.

Nursing Shortage

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Hospitals and Medical Care. In view of the recent Alberta Hospital Association study that predicted a severe shortage of nursing positions in the province by 1986 — and there could be up to 3,000 unfilled positions — could the minister indicate if there is a substantial shortage of nurses in the province at the present time?

MR. RUSSELL: Mr. Speaker, there is a shortage of nurses in a variety of positions in some hospitals in the province at the present time. It's very difficult to make an accurate assessment based on the hard data available, inasmuch as the registered nurses in the province exceed in number the number of positions available. Of course, the dilemma is that not all the registered nurses want to work, either full- or part-time, so that at present some institutions are experiencing some staff shortages.

In the longer term, a lot more work has been done on manpower assessment, as far as nursing and other related professions are concerned. A very extensive one is being done by the western premiers' conference, and two or three others are being done within the province of Alberta. But we indicated some time ago that with the massive construction program we have under way, unless we take immediate steps to see that additional nurses are on the Alberta scene within the next five or six years, there could be a substantial shortage. I am pleased to say that a number of those steps either have been taken or are under way.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate how many beds are closed in the province of Alberta right now, as a result of the shortage of nurses?

MR. RUSSELL: I couldn't do that in the question period, Mr. Speaker. I suppose in response to a motion for a return we could survey the hospitals and get that information but, because of its nature, the numbers would change almost daily. I think the hon. member is aware that most hospitals close down beds each summer as a matter of course because of vacations, the school break, et cetera, and many of those beds are now being reopened. In other cases, some beds are being kept closed down because of other reasons. So I'm unable to give you an estimate in the House today, but we could undertake a search and get some estimate, if the hon. member wants it.

MR. MANDEVILLE: Mr. Speaker, the minister did indicate that the government was taking some steps to promote more nurses in the province of Alberta. Could he indicate what steps the department is taking to get more nurses into the work force?

MR. RUSSELL: Yes, Mr. Speaker. This has involved more than just my department. My colleague the Minister of Advanced Education and Manpower has been heavily involved in this. It involves active recruitment of nurses who are not in the work force at the present time within the province of Alberta by way of offering refresher courses, better working conditions, and better salaries. It involves recruitment of nurses outside Alberta and off the North American continent. It involves establishing more student positions in the junior college system for nursing students.

We've set up an interdepartmental implementation committee to carry forward some of these steps, and those steps I mentioned are all under way at the present time. Last, but not least, we established a nursing research fund of \$1 million to give some encouragement and enhanced status to the profession itself.

MR. MANDEVILLE: One further supplementary question, Mr. Speaker. Has the hon. minister talked to his colleague the Minister of Advanced Education and Manpower with regard to an increase in funding to nursing schools, to allow the schools to increase their quotas?

MR. RUSSELL: The increase will probably occur in two phases in three areas, Mr. Speaker. There will be additional positions in the university to allow for the registered nurse to achieve baccalaureate status. There will be additional spaces in the junior colleges for the student who wishes to pursue the RN. Under consideration is the policy question as to whether or not the four existing hospital-based schools of nursing should be expanded, in terms of student numbers.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Could the minister indicate what the program is for recruiting nurses outside the province? I'm thinking of other parts of Canada and the North American continent. Has this recruiting been going on for some time?

MR. RUSSELL: Yes it has, Mr. Speaker. That's up to each employer group. I've indicated to a variety of hospital boards that the department or the government would support them in that recruitment wherever we could, and have discussed with our Agent General in London the matter of recruiting U.K. nurses. There is the additional problem of certification and registration when they get

here. My colleague the Minister of Advanced Education and Manpower has been working with Canada Immigration with respect to that matter.

Mortgage Renewals

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Housing and Public Works. It concerns a question raised several times in the last day or two in the federal House of Commons by the Rt. Hon. Mr. Clark, concerning the recent CMHC report that as many as 100,000 Canadians may lose their homes, as a result of mortgage renewals, either through foreclosure or forced sales. At this time, is the minister in a position to supply the House with any statistics, or have any statistics been commissioned, as to the number of Albertans in that figure of 100,000?

MR. CHAMBERS: Mr. Speaker, as a matter of fact, I can. In checking with MICC and taking a look at it, I have some numbers that might be useful. The number of owners with a mortgage in Alberta amounts to 237,000. The number of owners renewing a mortgage in 1981 is estimated to be 35,000. The number of owners renewing a high-ratio single detached home in 1981 would be 19,000. Of that, a considerable number are estimated to be paying out their mortgage completely, which would leave 14,250. Of that, the number of owners paying over 30 per cent of their income is estimated to be 7,200. It's normally considered that over 35 per cent of gross income is definitely a hardship. While we don't have statistics in that area, one would assume that perhaps half of that 7,200 — or more, in the order of 4,000, say; certainly not more than 5,000 — would be the comparable number.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. In view of the figure of 4,000 to 5,000 Albertans who could be in trouble, is the government giving any consideration at this time to some program with respect to mortgage renewals under either the Home Mortgage Corporation or Alberta Housing?

MR. CHAMBERS: I've answered that question previously, Mr. Speaker. I've said it's clearly a federal policy to have high interest rates and, therefore, it has to be a federal solution. I noticed yesterday, I think in a media report, that the federal minister has indicated he definitely promises that some relief will be forthcoming in the budget for people in these very hard circumstances. One would await the budget with some anticipation in that area.

Family Home Purchase Program

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the fact that from the end of July to the present time there's been a slight reduction in the Bank of Canada interest rate, on what basis did the government of Alberta decide to increase the interest rates charged Alberta families under the family home purchase program from 17.5 per cent to 19.5 per cent as of October 1? In view of the fact that since the end of July to October 1 there has been a slight moderation in interest rates, why have we then increased interest rates by 2 per cent in that period of time?

MR. CHAMBERS: Mr. Speaker, I should point out that that rate at that given time is still less than the best rate

offered by private lenders or by NHA. That's less than the best NHA rate. That rate really reflects one point over the borrowing rate of the Home Mortgage Corporation, through debenture borrowing through the Heritage Savings Trust Fund.

The rate floats. When the borrowing rate goes up, then the Home Mortgage Corporation rate will rise accordingly, maintaining a one-point spread, give or take its move when it exceeds a half-point either way. Similarly, when it goes down, the rate floats down. Another criterion is that it must always be below the rates offered on the market. I hope that explains it, but I'd sure be happy to elucidate further if necessary.

MR. NOTLEY: Mr. Speaker, to the hon. minister. What consideration is given to changing the basic concept of the Alberta home purchase program which in fact, as the result of policy, locks people into an interest rate for five years? I raise that in view of the 19.5 per cent interest rate which we've now upped from 17.5 per cent, the hope of everyone in this House that there would be a moderation of interest rates, and the evidence that there has been a slight moderation . . .

MR. SPEAKER: Has the hon. member a question to append to his debate?

MR. NOTLEY: Yes, Mr. Speaker. My question is: why are we locking people into a five-year program where they're stuck with interest rates of 19.5 per cent?

MR. CHAMBERS: Mr. Speaker, I would have to point out and remind the hon. member of the very large subsidies involved. For example, at the low end of the income scale, the subsidies are now something in the order of \$580 a month, direct payment to the home-owner, considerably more than half the entire mortgage cost. These subsidies are of course straight [inaudible], up to the maximum income of \$38,000, and there for a guaranteed period of time. For example, the incomes are reviewed every 20 months. The five-year term is a normal consideration, especially in view of the very substantial subsidies involved. Still, if one wants to buy out the mortgage with a normal, nominal penalty, that can be done.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. We all know there is a subsidy program, but that's related to income. The question as I understand it, in discussing it with the officials of the department and the Home Mortgage Corporation, is that under the provisions of this scheme, there is no buy-out provision. People are stuck with 19.5 per cent unless they have to force-sell their home.

MR. CHAMBERS: No, Mr. Speaker. There's a buy-out, as in any mortgage, with a normal penalty clause. And again, the five-year term is fairly normal. I think it's certainly appropriate when one considers the extent of the subsidies involved.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Subsidies are related to income, but Albertans who borrow money under this program are still stuck with 19.5 per cent interest, locked-in to that interest rate for five years, regardless of what happens to interest rates in this country, and we all hope they go down.

My question to the hon. minister is: why have we now changed the regulations under the home mortgage pro-

gram? Before, young couples could apply. Now they have to have a dependent child in order to qualify for this particular program. Why that particular little wrinkle stuck into the program, along with the increase in interest rates as of October 1?

MR. CHAMBERS: Mr. Speaker, with regard to the last one, the increase of October 1. You might ask me next week, why did the interest rates go down? Again, it's a floating number which is appropriate to the borrowing rate at the time.

I'm sorry, what was the first part of the question?

MR. NOTLEY: Mr. Speaker, the question is simply this: why have we now changed the regulations with respect to eligibility to force a change, so that now a young couple who wishes to borrow money must have a dependent child before they're eligible under this program, as of October 1?

MR. CHAMBERS: Okay, Mr. Speaker, a number of changes were made in the guidelines. What we're talking about is prioritization. Again, we have a massive commitment to housing this year. If you add up every dollar in the whole housing area, we're talking about \$1.7 billion, with the addition of \$200 million as of October 1. We hope that will suffice in a meaningful way to the end of this fiscal year, and provide for the real hard-core requirement. We deemed it necessary to revise the guidelines, in order to ensure that the \$200 million will be sufficient to see out the remainder of this fiscal year.

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

MR. SPEAKER: Followed by a supplementary by the hon. Leader of the Opposition.

MR. NOTLEY: The minister is rapidly becoming the Paul Cosgrove of the Alberta Legislature. [interjections] Oh yes, that's the fact. He's telling us that we're going to squeeze people to fit into regulations.

Very specifically, my question is: what information has the minister that he can share with the Legislature today on the amount of money it would have required to have maintained the existing guidelines under the Alberta family purchase program, which would have made it possible for young couples to borrow money, as opposed to now having to have one dependent child before they're eligible? Do we have any figures at all as to what the difference would have been?

MR. CHAMBERS: Well, Mr. Speaker, I think that question is somewhat hypothetical. There's no question but that if it was wide open, there'd be a heavier demand. We think the guidelines are fair. The down payment before was between 5 and 9 per cent, depending on income; it's now 10. We don't think that's an inordinate criterion to impose. Insofar as the couples must have children, again, it's a question of priority.

MR. NOTLEY: Where are your figures, Tom?

MR. CHAMBERS: Well, do you want to hear me or not?

We think that the people with children should obviously be the highest priority. Of course, I haven't yet submitted my budget for the consideration of my colleagues and this Legislature. I don't know what the budget will be

for next year, but maybe those guidelines could be changed again. In any event, in talking with many people, including builders and the general public, the response I've had so far is that the new guidelines are quite fair and appropriate.

Mortgage Rates

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Mortgage relief in this province seems to be based on whether or not the federal government will do anything. My question is whether the minister has made any formal presentation to the federal minister of housing or, in turn, has the Premier made any formal presentation to the Prime Minister with regard to this severe problem of mortgage rates that are putting people out of their homes? Has some positive action been taken on the long-term program the hon. Provincial Treasurer called the "on-to-Ottawa" program?

MR. CHAMBERS: Mr. Speaker, I'm confident that the media reports in this area are correct. On several occasions recently, I've read that the federal minister has said he definitely — in fact, I think I read yesterday where he promised — will have something in the budget for the relief of the people in very difficult circumstances.

MR. HYNDMAN: [Inaudible] as the opposition has requested, I could point out that we as a government made very strong representations to the recent meeting of the 11 finance ministers of the country, with respect to the need for the federal government to take actions to bring interest rates down, and outlined the concern we and others had as to how they were affecting the housing situation in this province and across Canada.

MR. COOK: Mr. Speaker, a supplementary question. Housing in Alberta seems to be required by people for two purposes: investment and shelter. As a person who is discriminated against, in a sense, being single, without a child [interjections] and without a mortgage, Mr. Speaker ... The hon. member for Oshawa, or Spirit River-Fairview, seems to be wanting to give away the heritage trust fund.

I would like to get in line, if that is the case. I wonder if the hon. Minister of Housing and Public Works could indicate what it would cost to provide a cheap investment for some single people who basically are looking for a shelter against inflation as much as they are against the weather, which is what the hon. member from Oshawa is offering.

MR. CHAMBERS: Mr. Speaker, I would have to say that the Member for Edmonton Glengarry would certainly have to be in the lower priority category.

MR. R. SPEAKER: Mr. Speaker, just as clarification. Has the Minister of Housing and Public Works made any formal presentations to the federal minister with regard to mortgage relief? I understand the Provincial Treasurer has made a presentation with regard to interest levels. Has the minister made a presentation?

MR. CHAMBERS: Mr. Speaker, the provincial and federal housing ministers met in the spring, I think in June, as I recall. We discussed a number of matters with the federal minister and urged his consideration in that area and that we have a meeting this fall, which I would

expect we might have in due course.

I can't recall specific conversations, but I've had discussions with the minister a couple of times. I'm sure he's very well aware of our concerns in that area, as well as the concerns of all the other provinces in this country.

Family Home Purchase Program
(continued)

DR. PAPROSKI: Mr. Speaker, a supplementary to the hon. Minister of Housing and Public Works. In view of the questions from the opposition members, I wonder if the minister would confirm that the policy has not changed with respect to single parents. Do they still qualify for the full subsidy of \$500-plus under the Alberta family home purchase program, which cuts their effective interest rate to about 9 per cent?

MR. NOTLEY: Go down to the office and check, Ken.

MR. CHAMBERS: Yes, Mr. Speaker, they do.

head: **ORDERS OF THE DAY**

MR. SPEAKER: I believe the hon. Minister of Recreation and Parks would like to revert to Introduction of Special Guests.

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

MR. TRYNCHY: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to the members of the House some 70 grade 6 students from the school at Mayerthorpe. They are accompanied by their teachers and parents Mrs. Kezar, Mrs. Cowley, Mrs. Geinger, Mrs. Tulloch, Mr. Alm, and Mr. Barker. Would they please stand and receive the welcome of the House.

head: **GOVERNMENT MOTIONS**

13. Moved by Mr. Hyndman:

Be it resolved that the Assembly do resolve itself into Committee of Supply, when called, to consider the Supplementary Estimates of Investments (A) 1981-82 and the 1982-83 Estimates of Proposed Investments, of the Alberta Heritage Savings Trust Fund, capital projects division.

[Motion carried]

Be it resolved that the messages of His Honour the Honourable the Lieutenant-Governor, the Supplementary Estimates of Investments (A) 1981-82, and the 1982-83 Estimates of Proposed Investments, of the Alberta Heritage Savings Trust Fund, capital projects division, and all matters connected therewith, be referred to the Committee of Supply.

[Motion carried]

head: **COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND
CAPITAL PROJECTS DIVISION
1982-83 ESTIMATES OF
PROPOSED INVESTMENTS

MR. CHAIRMAN: There is one supplementary estimate for 1981-82. If the committee agrees, since this is the only one and it deals with agriculture, I propose to call this one at the end of the '82-83 proposed estimates for Agriculture. Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We'll proceed then to the discussion. Since these come under the Provincial Treasurer, does he wish to make any remarks before we start?

MR. HYNDMAN: Mr. Chairman, as minister responsible for the heritage fund generally. I believe it's appropriate that I make a few remarks at the opening of consideration of all the capital projects division estimates for the fiscal year 1982-83.

The capital projects, about two dozen in all, touch the lives of virtually all our citizens. They very directly help hundreds of thousands of Albertans in one way or another. We should all remember, and we all know of course, that the basic philosophy, the rationale, behind the Heritage Savings Trust Fund is that it is a savings account, a trust fund for the future; an investment fund for the transition days down the road when it will be necessary to move from the very significant reliance we have today upon non-renewable resource revenues to other revenues.

At the same time, these capital projects for Albertans are important. I don't intend to go into great detail, Mr. Chairman. Those details can be found in the estimates, which have been filed. As well, I commend to members and to all Albertans the annual report of the Heritage Savings Trust Fund which, in its last volume for 1980-81 and in previous years, gives a very thorough outline of the many, many capital projects built up over the past five years. For those interested in more detailed figures, the quarterly reports on the last page indicate the ongoing benefits and moneys committed to those projects.

We should all remember, Mr. Chairman, that the capital projects division has no parallel in Canada. It is unmatched in this country. The Saskatchewan heritage fund, for example, has no similar capability to provide projects for people in this way. No other province takes this initiative.

The reasoning behind it was set forth in 1976, and is that part of the Heritage Savings Trust Fund should be set aside for those quality-of-life services or projects which Albertans would not normally be able to afford but which, by reason of the temporary resource revenues we're receiving, should or could be put into effect or put forward. That's what those projects represent. The benefits of the projects are spread all over the province, north to south, east to west. The benefits accrue to people of all ages: young Albertans, Albertans who are mothers and fathers, grandmothers, grandparents. Indeed, those benefits will accrue for the next two or three generations.

In summary, there are about two dozen unique and exciting projects. They're immensely varied and benefit virtually all our citizens. In very quickly summing up those projects, Mr. Chairman, an approach I wanted to

take was to look in on two hypothetical but almost typical Alberta families, and see how the heritage fund can affect them. I look at a rural family by the name of the Smiths and an urban family, the Jones. If we looked in upon them over the next couple of years and put together how the heritage fund affected them, very briefly this is what we would find.

Let's say, for example, that we have a typical rural family, a farm family called the Smiths, and they're sitting around the kitchen table. The Smith boy, who is going to be taking over the farm from his father, is interested in looking ahead in agriculture for 10 or 20 years. He's talking about the Farming for the Future program of the heritage fund. He's been listing dozens of projects that that Farming for the Future program is involved in. He points out that that program is going to strengthen the long-term viability of Alberta's basic industry. It will help preserve the family farm, of which he is a basic part, and it will in a very practical way improve net farm incomes. He notes that that Farming for the Future program involves research not only into crops but also into both red and white meats, transport as it relates to agriculture, land use, and marketing.

Mrs. Smith has just come in the door, and she's gotten off an airplane at one of the heritage fund airports, of which there are about a dozen in the smaller centres of the province. Those heritage fund airports — and I can assure hon. members that the heritage fund logo will appear on them very shortly — are again an initiative to provide better convenience in the transportation area to well over a dozen smaller centres around the province.

At this point the head of the family, Mr. Smith, points out that going down the railroad track about a mile away he can see a blue grain hopper car. He calls it the "big blue"; it seems to be a phrase that's being used around Alberta more frequently. He's one of those Albertans who's pretty proud about those big blue hopper cars. He points out to the family that about 1,000 of them have been purchased by the heritage fund, and they're speeding Alberta's grain to transshipment at the ports. He points out that he's heard that the heritage fund may also be involved in the port terminal operations at Prince Rupert, and says, there's another aspect of how that affects agriculture.

Last night he talked on the phone to his brother, who's involved in the heritage fund grazing reserves. He has property near public lands and knows that the heritage fund is improving pasture and helping to diversify the farming industry in that way. And last week they had a visit from his other brother, who is an irrigation farmer from southern Alberta. They were talking about the heritage fund involvement in the rehabilitation systems in 13 irrigation districts, whereby canals and reservoirs were improved, water storage and delivery was improved, and again the heritage fund was at work.

The elder Smith boy, who I mentioned earlier, tells his family that just two days before this he was discussing the food-processing development centre with a friend of his who is involved in the building of it. That development centre will be directly involved in upgrading basic Alberta agricultural products and in the creation and testing of new products and processes: another heritage fund initiative through the capital projects division.

Looking again at the family, Mrs. Smith's sister lives in the province, north of Edmonton, and concern there isn't irrigation, it's drainage. She was talking to them about the heritage projects at Lesser Slave and the Paddle River, which involve drainage and preventing the flood-

ing of agricultural lands, towns, and villages, and ensuring a better water supply.

At this point, the train having gone by, the blue heritage fund cars having moved down the track, Mr. Smith, who like most farmers is very sensitive to nature, to concern about the environment, mentions that just later on that day they expect to have the bulldozers start work on the land reclamation project that will convert an abandoned gravel pit just down the road, which has been pretty unsightly, into a reclaimed piece of land. There are about 65 projects in land reclamation under the heritage fund, he points out, and they involve not only gravel pits but mine sites, dumps, and lagoons.

At this stage, the youngest member of the Smith family, the daughter in grade 7, points out how interested she's been and how unique it's been, compared to her elder brother, to have the heritage learning resource projects — learning materials, books, and slides talking about the history of the west and of Alberta — available in 2,000 Alberta schools, distributed nationally and internationally. Her father says that's pretty important, because if we don't know where we came from, of course we can't plan where we're going. She says that in grade 7 they're studying health as well. Yesterday, one of the things she learned in school was the heritage fund cancer research program, which has 39 new cancer research projects and 46 ongoing ones.

That's probably not quite representative but almost typical of what one might see in a farm family, looking around and seeing how the heritage fund directly benefits and affects them now — this generation — and generations ahead.

Well, what about in urban areas? Again, we have maybe a kitchen table conversation we can look in on. Mr. and Mrs. Jones live in an urban area. They have two children, a boy and a girl. When first looking in upon them, we hear the Jones daughter. She is going to pursue higher education through the heritage scholarship fund. She's going into the health area and, at the moment, is not sure just which one to go into. But she has won one of the heritage scholarships, and wouldn't have been able to pursue those studies without it. She thinks it's a good idea. Her friends who have won them are excited as well. Of course, she is using materials in the libraries in the colleges and universities from the library development fund, again provided by the heritage trust fund.

She tells the family that last weekend she was bicycling in one of the urban parks, which are unique in Canada. There is no urban park situation, either in existence or planned, in our cities anywhere in Canada — and probably North America — that matches the heritage fund park system in Edmonton and Calgary, in the five smaller centres where they're being built, and Kananaskis. She says her friends want her to go down to Kananaskis, another heritage fund project. She understands that's pretty exciting as well.

The father, Mr. Jones, is involved in small business, a free-enterpriser. He is involved in a business which relates to diversification in the heavy oil and oil sands industry. Pretty frequently, he's reminded of the work of the Alberta Oil Sands Technology and Research Authority. Because the spinoff from what that authority is doing, funded by the heritage fund, means a great deal to his existing business and its future. He recalls the work going on in recovery and processing of the sands and heavy oil. He feels it's pretty important that the Alberta government owns that technology and what the heritage fund is doing.

His son, who's also there, works in the conventional oil industry. He's excited by the fact that the heritage fund is working to support enhanced recovery in the conventional oil industry and, again, that we will own that technology for export, perhaps all around the world where conventional oil is being sought and drilled.

In addition to her career, Mrs. Jones has some very significant environment and outdoor interests, particularly in relation to the forest area. She has been talking about the maintaining the forests program of the heritage fund, which re-establishes forests where they've been damaged by fires or industrial clearings. As well, in the previous year she has visited the reforestation nursery — again, funded by the heritage fund — which provides seedlings for Crown lands where forests would be grown again.

The Jones son remarks that he worked in construction last summer, and how important it will be to see the results of the heritage fund occupational health and safety research approach. He notes that that will result, hopefully, in preventing accidents in the industrial scene in future years and improve working conditions. He points out that it affects research, training, and education for those people in our work force who, again, can directly see the benefits of the heritage fund.

Finally, the Jones daughter, who I mentioned earlier, has won the heritage fund scholarship. She's going into the health area but is not yet sure which of the many opportunities she'd be involved in. She's pretty excited about the Heritage Foundation for Medical Research. She knows that foundation, although it's in its embryonic stages now, will attract world leaders in medical research and will put us in the forefront of health care in the decades ahead. She's also interested in hearing about heart research, and realizes that seven heritage fund heart research projects have been completed and another 11 ongoing right now will be funded by the estimates this year.

As well, she's heard about the Southern Alberta Cancer Centre and Specialty Services Facility, which is another area of the health initiative she may be involved in. She's seen the Walter MacKenzie Health Sciences Centre in Edmonton, working with other initiatives to put Alberta front and centre and provide, perhaps, a basis for some specialized technology. She thinks she might even go into engineering and work in technology and business, combining that with health in the years ahead as the diversification aspects of the heritage fund come to the fore. Finally, she realizes that perhaps the Alberta Children's Provincial General hospital may as well provide exciting opportunities in her career.

In conclusion, Mr. Chairman, that's how two hypothetical families in the province could be benefited. If you put them all together, families across this province are directly or indirectly helped by the heritage fund. I suggest that's clear evidence that as well as being a savings fund for the future, the heritage fund helps the quality of life of all our constituents, helps Albertans, and will provide benefits today and for millions of Albertans in the years to come.

MR. R. SPEAKER: Mr. Chairman, I would like to make a few remarks: one in response to the minister, then certainly with regard to programs. I think one thing Albertans should realize is the make-up of the fund and who makes the decisions about the Heritage Savings Trust Fund. These two ideal families in Alberta — certainly the benefits, outlined in the estimates we're study-

ing at the present time, are there. They're programs we have approved through committee, approved in this Legislature and supposedly — and let's hope — are bringing benefits to individual Albertans or families in this province. That's great.

But I think some of the truth about the fund should be brought to the attention of the Smiths and the Joneses, the typical families in Alberta who seem to see all these great benefits from the Heritage Savings Trust Fund. These people have direct access to only 12 per cent of the fund, less than \$1 billion. Members of the Legislature in this Assembly can make decisions on only 20 per cent, if the government thinks we should be allowed to consider programs over what they place before us. Up to the present time since the fund was initiated, only 12 per cent of some \$9 billion is available to the Smiths and the Joneses. Mr. Chairman, that's the truth that should be told to the people of Alberta.

On the other hand, the cabinet and a few select cabinet ministers make the decisions with regard to 88 per cent of the fund, and individual Albertans do not see very much benefit there. Corporate interests and other large governments in Canada see billions of dollars of benefit. But individual Albertans who really need some help are only involved, as the minister has outlined so nicely in this Christmas play — and I know he's preparing to have a Heritage Savings Trust Fund Christmas play. And that's what it is. We have to realize the truth of the matter. When we raise the question, "What are you receiving from the Heritage Savings Trust Fund," Albertans are saying, "Not much".

Let's talk about the rural farm family. Do we realize that those in the rural areas who can benefit are a very small percentage of those, I think, 117,000 farmers in Alberta at the present time. I'm sure that less than 5 per cent can benefit the way the hon. Provincial Treasurer outlined to us. Persons in the urban setting: I'm sure the percentage — and I haven't that figure at my fingertips — of the urban population who can benefit directly from that 12 per cent is not high. So if you take 5 per cent of 12 per cent of the fund, we don't end up with very many people in Alberta directly benefiting. The question being raised by Albertans: "How do I benefit; am I really getting very much from the fund?" They say, "Not much". There's a lot of truth to that statement, Mr. Chairman, because that's the way it is.

Mr. Chairman, I think it's incumbent upon this government to look at some different priorities. In this House today, we talked about mortgage rates; about many Albertans, one, saving their homes and, two, having reasonable mortgage rates. Those who haven't got children should be allowed to have access to the funds. I think that would be a good area to look at.

Secondly, we talk to Albertans about streets in small towns. We talk about roads across this province, municipalities that got only a 9 per cent increase last year because the government was on a program of trying to tighten up and show it wasn't going to spend too much money and that it was finally going to be a conservative government in the province of Alberta. Well, many of our small towns haven't paved streets. Many are attempting to go into debt, overloading their local taxpayers, to try to meet that need.

Roads across this province: the Trans-Canada Highway has hardly received attention in the last 10 years. A 10-year program was announced in the spring. Commitments to improvements to that highway this summer haven't come about, as the minister had indicated in this

Legislature. We need many roads across the province. Municipalities can build an average of only about 15 miles of new road per year for their citizens. You divide that amongst the councillors of a large municipality or county and that's not very many miles of new road.

So, Mr. Chairman, when the hon. Provincial Treasurer gets up and tells us about the great benefits to the Smiths and Joneses, we have to realize that the Smiths and Joneses only qualify to benefit from about 12 per cent; 88 per cent is decided by the cabinet. Usually the results are awarded to large corporations or other provinces in Canada, while poor Albertans are left sitting out on the street, rather cold. I think that should be the other side of the story that is made aware. We can do something about that by changing some of the priorities in the Heritage Savings Trust Fund program so we can really meet some of these needs of Albertans that are good investments at the present time — investments for today and for the future. I think that's a better definition of savings than one of saving so that somebody benefits later. Maybe by the time they benefit later, the funds will be depreciated and we won't be able to get some of the benefits we can get today.

MR. MUSGREAVE: Mr. Chairman, I want to make a few comments. The hon. Leader of the Opposition, as a former member of Executive Council, knows that we run on a British parliamentary system, whereby a budget is presented to the House and the government rises or falls on that budget. For him suddenly to make a big issue of the fact that members of Executive Council recommend how the investments should be made is patent nonsense. The thing that bothered me about the ...

MR. R. SPEAKER: Eighty-eight per cent.

MR. MUSGREAVE: I kept quiet while you were speaking. Mr. Chairman, the thing that bothered me was that during our meetings of the Heritage Savings Trust Fund this fall, some of us wondered if the members of the opposition had decided to boycott the meetings, because their attendance was not as good as it has been in the past.

MR. R. SPEAKER: What has that got to do with the discussion?

MR. MUSGREAVE: It has a lot to do with this discussion. You are trying to tell the people of Alberta that this fund isn't properly run. Why aren't you here, making the comments where you should?

MR. R. SPEAKER: Mr. Chairman, the way the kangaroo Heritage Savings Trust Fund committee works, everybody has been told what to do before they come there.

MR. CHAIRMAN: Order please. If the hon. Leader of the Opposition has a point of order, he could please state it. Otherwise, the remarks are not relevant.

MR. MUSGREAVE: Really, Mr. Chairman, the Leader of the Opposition seems to be implying that unless a cash bonus is paid each month or once a year to every individual citizen — you know, the \$25 a month we were going to get in the good old days of Social Credit — then the fund isn't working properly. He mentions the 117,000 farmers in the province of Alberta. My reaction to that is,

do they need help? I suggest that probably a lot of them are doing very well, thank you. Sure, we all have problems with high interest rates. But when I listen to the problems in the beef industry, I'm frankly confused. On the one hand, somebody wants us to help us, and on the other hand, they don't. I think many farmers in Alberta are happy they are able to farm here. Particularly when I see that the crop results this year are 32 per cent above last year, it amazes me to think some people are saying we're in a difficult situation. To help the hon. member, I would like to point out that roughly 1.25 million people are in the urban setting, if he takes just the two major cities.

He goes on to say that the savings trust fund is not helping people of Alberta. I suggest to him that we don't have enough money to do the things he's talking about. As a member of the Calgary housing commission, I have some input from the Mortgage Brokers Association of Alberta and the HUDAC organization. I ask him how many people are losing homes because of mortgage foreclosures? I would say very few. The number of people per housing unit in Alberta is one of the lowest in Canada. So to suggest that people are out in the street is absolute rubbish.

He mentions, too, that small municipalities haven't got enough money to pay for highways. On the other hand, many municipalities in this province have their own heritage savings trust funds. When the debt reduction program was put in just a couple of years ago, many municipalities did not have any debt. As a result, they have considerable funds invested. I know the hon. member represents a rural area; he said the people don't want to pay taxes to pave their roads. Well, we in the city of Calgary don't want to pay taxes to pave our roads either, but we do have the choice. If we want to have paved roads, we should be paying our taxes. I think the quicker we get a user-pay concept operating in all areas of the province, the better.

Finally, he makes the comment that municipalities can pave only 15 miles of road a year. He's obviously showing his ignorance. In the new subdivisions in the cities, roads are paved by the developers. They have to be put in before the developers are allowed to sell the lots to the individual builders to build.

On a positive note, Mr. Chairman, I don't want to use allegory as our hon. Treasurer did. I just want to make one comment on the scholarship fund. If the hon. Leader of the Opposition would attend the meetings more consistently, he would know there are achievements we could make. One of the recommendations the standing committee on the Heritage Savings Trust Fund made several times was that there be a scholarship fund to encourage young Albertans to continue their studies so we could have more people able to do the jobs that need to be done, particularly in the fields of science, business administration, and the harder sciences at our universities. I'm happy to say, Mr. Chairman, that in the last month I have had many parents say to me that their sons and daughters have received cheques that have enabled them to go to university.

In a talk I had a week ago with Mr. Wagner, the President of the University of Calgary, they're amazed that their enrolment this year is up so great that they are having difficulty coping. Only a year ago he was crying that the young people in this province were not going to university. I think a substantial reason for that turnaround was the adoption of scholarship funds through the Heritage Savings Trust Fund. I think it's an excellent

investment, and I want the minister to know that you don't have to "just suppose" on that one; it's working, and working very well.

Thank you.

DR. REID: Mr. Chairman, I'd just like to try to correct the misconceptions of the Leader of the Opposition on a few points he raised. I seem to remember that at the beginning of his 10-minute address, when the Premier appeared before the select standing committee this year, he asked one question: what is the Heritage Savings Trust Fund doing for me? I think the Provincial Treasurer just gave a reasonable 10-minute answer.

The first misconception he appears to have is that the Alberta Heritage Savings Trust Fund isn't doing very much for Albertans, and that only some 12 per cent is benefiting current Albertans. I'd like to point out his arithmetical error to him. Some two-thirds of the fund is currently benefiting Albertans through the capital projects division and the Alberta investment division. If his plea on the select committee for increased communication and clarification of the function of the fund is a true plea, then I don't know why he is trying to introduce fog and obfuscation in the present committee's work.

If he doesn't think that the Alberta investment division, which includes the Agricultural Development Corporation, the Alberta Home Mortgage Corporation, the Alberta Housing Corporation, the Alberta Municipal Financing Corporation, and the Alberta Opportunity Company's borrowings from that division — if he doesn't think that any of those entities is helping current Albertans, then he either has a complete lack of understanding, or we have not managed to teach him anything in the hearings of the select standing committee. I just can't accept that only 12 per cent of the fund is benefiting current Albertans, when those entities in themselves have borrowed several billions of dollars from the fund, subsequently lent out to Albertans or Alberta municipalities for the benefit of current Albertans.

Thank you.

MRS. OSTERMAN: Mr. Chairman, the members for Calgary McKnight and Edson who have just spoken have made some of the comments I would have made. I would just add a couple more.

I think that since he's a member of the committee, the hon. Leader of the Opposition must know that in fact the provinces which are benefiting all Canada to some degree by borrowing in Canada as opposed to on the international market, are not receiving a loan at any kind of break in interest rate. I think the hon. leader left the misconception, by the comments he made, that the other provinces were somehow benefiting in a way that was to the detriment of Albertans.

I would further comment that the hon. Leader of the Opposition certainly does a disservice to all Albertans by making comments — and I would consider them to be absolute claptrap — that Albertans are somehow disadvantaged. I think that by his comments he further leads us to believe that Albertans are crybabies, and are somehow callous in that they believe they're an island unto themselves and should have so much better a standard of living than the rest of Canadians. I believe Albertans do support our heritage fund, and do indeed know that we must save for future Albertans.

MR. NOTLEY: Mr. Chairman, I think it's useful to have this kind of general discussion at the beginning of the

estimates of the Heritage Savings Trust Fund capital projects division. I won't get into an argument as to whether or not it's 12 per cent of the fund that benefits of Alberta, and whether you could add the provisions of the Alberta investment fund. I would add that direct benefits to Albertans in terms of any shielding of interest rates under any of the programs funded under the Alberta investment division come out of general revenue — that is, the interest subsidies — and that the heritage trust fund receives an interest rate comparable to whatever the market rate may be, whether it's Agricultural Development Corporation debentures; Alberta Housing debentures, as the Minister of Housing and Public Works indicated just this afternoon; or Alberta Opportunity Company debentures.

But I think the point needs to be made at this particular moment, Mr. Chairman, that the 12 per cent is really the amount that has been allocated by the Legislature on the basis of prior approval. And that is a pretty fundamental point. I've made this over and over again in the watchdog committee. It's a strongly felt point of view, not only by me but by other Albertans and, I would suspect, by the majority of Albertans on this question of who in fact should be making the investment decisions; whether it should be made as a consequence of some form of prior debate in this Legislative Assembly, as we are now doing with the 12 per cent, or whether the bulk of it should be made as a result of an investment committee which, a few months, a year, or perhaps even longer down the road, the watchdog committee has an opportunity to monitor.

The question of the moment at which the Legislature makes the decision is pretty crucial. And it is valid for the Leader of the Opposition to raise this. Certainly, if it's to be raised anywhere, it should be raised in this particular discussion. It's been raised in the watchdog committee over the last number of years and, I regret to say, turned down year after year.

But we're talking about capital works estimates this year, Mr. Chairman, and instead of 12 per cent we should in fact be looking at the kind of estimates that will determine how the fund is invested in its totality. We should have before us a plan of action which would force the government to come to the Legislature with its major investment proposals, instead of after-the-fact accountability.

I say to members of the committee that this debate has gone on for some time in the province of Alberta, and will continue to go on. It will continue to go on as long as we have a heritage trust fund. While it may irritate a few members from time to time, there is no doubt in my mind that on this particular score — most Albertans support the idea of a Heritage Savings Trust Fund, but I suggest that if you put to them the question of whether the Legislature or the cabinet should have prior approval of 88 per cent of the fund, I think you would find that the majority of Albertans would strongly support prior approval by the Legislature.

I want to make a couple of comments in addition to those that have been offered by other members of the committee. The hon. Member for Calgary McKnight talked about three things. He talked about the problem of farmers. As I listened to the hon. Member for Calgary McKnight, somehow the number of farmers doubled from 50,000 to 117,000. Nevertheless, we won't worry too much about those figures. What I was astonished to learn, what I was astonished to hear, Mr. Chairman, was the kind of comment from a city member who sits in a caucus that must be discussing agricultural problems, that

everything is rosy in rural Alberta.

Mr. Chairman, where in heaven's name could any member get that idea? All one has to do is monitor what's happening every week in the auction marts. All one has to do to know that one of the principal industries of this province is in serious trouble, is go to some of the meetings where we have record turnouts of beef producers. You get people, who have been traditional supporters of the party in office, coming out in large numbers to these meetings and saying, we've got to have some kind of short-term assistance. I find it absolutely astonishing that any member of the Legislature who has been party to the caucus decisions of this government, even if he represents an urban riding, would stand up in the committee and tell us that everything is rosy in rural Alberta. I'm telling you, Mr. Chairman, I sure wouldn't mind discussing that at some length over the next while.

We have the question of highways. We're told that municipalities are very fortunate because they've all got their own heritage trust funds. Well, Mr. Chairman, that ain't necessarily so. If local heritage trust funds are a substitute for an expanded highway program, then I think many of the rural MLAs would like to know that. At least those people who are thinking about running against the existing rural MLAs would like to know that.

But I suspect, Mr. Chairman, that not too many people in rural Alberta would argue that we don't need massive commitment to primary and secondary roads. One of the trade-offs — and I say this bluntly to the committee. We are looking at how to invest a very small portion of revenue coming in from 30 per cent of our natural resource wealth, 30 per cent of the yield. But you know, there is a price for that revenue, and we look at that when we examine infrastructure costs. But we don't look at that, Mr. Chairman, when we analyse the impact that that energy industry has on something as basic as our road network. Let me tell you, when you have the industrial activity we have in this province, that has one enormous impact on roads and the wear and tear on our road structure. The reason we have problems throughout the province at this stage is because of the heavy industrial activity in Alberta.

I say to the members of the committee, let's not dismiss the reinvestment we have to make from our yield in terms of the basic infrastructure. Because if this province is going to have anything left [when] the oil and gas are gone — at least the profitable oil and gas — we have to have a decent transportation structure in place.

The emphasis we place on roads, Mr. Chairman, is very crucial, and I just don't think it can be lightly dismissed with a comment that, well, the municipalities have their own heritage trust funds. Maybe the complaint we get here in the committee about inattention to the road program is just so much puffery. It isn't, Mr. Chairman. And I would say to any member of this House, go to the biennial convention of the Alberta association of rural counties and municipalities, the one that's going to be taking place in three or four weeks, and tell them that we don't need more roads. Tell them that our road program is in fine shape. I suspect that if you aren't laughed out of the room, you may be run out of the room on what substitutes for a heritage trust fund pole. Mr. Chairman, there are some real problems in infrastructure in rural Alberta, and chief among those problems is our transportation system.

Now, I want to deal with just one other major item. As one looks over many of the estimates we have before us, it's certainly useful to have many of these programs:

Alberta reforestation, maintaining our forests, some of the parks. Whether or not they should be funded out of the capital works program or the budget of the entire province is a matter that can be dealt with at another time. As I mentioned in the Heritage Savings Trust Fund watchdog committee, many of us would be reluctant at this stage to see this shifted over to the capital works budget of the province, because this is the one area of the trust fund that we still have an opportunity to vote on, on a prior approval basis.

But I want to deal with just one aspect of this matter, Mr. Chairman, in the general discussion. Under Transportation, we have airport terminal buildings. Now I don't have any problem with that. We have the commitment to hopper cars, and I think the record has shown that all members of the opposition have supported the acquisition of the hopper cars. But I say, in as serious a way as I can, that the investments we make in transportation are so crucial to us that what I find disappointing in the capital estimates this year is no emphasis, no recognition, no commitment to move on any of the proposals the Premier made on July 25, 1980, when he went to see Mr. Trudeau.

We were going to look at substantial capital estimates on transportation, which would be of enormous benefit to western Canada, particularly to the grain and livestock industries. I don't see any commitment here to do anything on a proposal on northern rail transportation that has been made three years in a row by the heritage trust fund watchdog committee. It's not very often that you get all members of a committee, particularly that committee, setting aside partisan lines and coming up with agreement in a unanimous fashion. But for three years in a row, we urged some action on the part of this government on the important issue of making rail links that would benefit northwestern Alberta.

You know, it's completely ridiculous — I've said it before in the House and I say this again — absolutely ridiculous that we have to send barley from Hines Creek 500 miles farther down through Edmonton, then out on the CNR main line when, if we linked with the BCR, we could get out to Prince Rupert 500 miles shorter one way. That's 1,000 miles turnabout. For three years the committee has been saying, let's do something about this. Set aside the partisanship, that you've got Social Credit, New Democratic, and Tory members. Set that aside. It just doesn't make any sense, if we're talking about transportation infrastructure and an important grain-growing part of our province, that we allow that border between B.C. and Alberta to blind us to the logic of working with our sister province.

We had a study. My heavens, I think the study must have been conducted by the CNR. It must have been prepared by them. And obviously the CNR isn't going to be interested in linking up with the BCR. We all know that. When one takes the time to check them out, one finds that some of the things the CN has said about the operation of the BCR just aren't true.

One of the accomplishments of the former Social Credit government of Mr. Bennett was the massive commitment of public funds in our sister province of B.C. to get rail service into northeastern British Columbia. What in heaven's name are we doing bringing grain all the way down through Edmonton, then shipping it out on the CN main line, clogging up that line, when linking up with the BCR makes an enormous amount of common sense and has been recommended three years in a row. We still don't have any action.

Mr. Chairman, I think we have a major issue that this committee frankly has to examine. So while I fully support many of the estimates, I think that what is not in this capital budget is as important as what's in it. And what is not in it are some of the recommendations that we have made as the watchdog committee representing all parties. As we begin these discussions, I simply say that perhaps we should look at that aspect before we begin slapping the government on the back for what is at best a rather modest set of proposals.

MR. CHAIRMAN: If there are no further general comments, we'll proceed to the ...

MR. GOGO: Mr. Chairman, I hadn't planned on making any comments, but in view of some of the comments just made, I thought I should. I'm not on the Heritage Savings Trust Fund committee, although I've attended one or two of their meetings. We're dealing with the capital projects division, but there have been comments relative to other matters dealing with the Heritage Savings Trust Fund that prompt me to respond.

I think it's only natural that opposition members in this Assembly would not agree with the investment committee, which has the responsibility of investing the fund. Now I think there have been many comments and speeches made in this House as to why it's that way. However, I can understand why opposition members would feel differently.

I recall that the Member for Spirit River-Fairview with his — I won't call it a travelling circus, but similarly to the independent member — was going around the province of Alberta seeking advice on how the fund should be invested. And although I don't generally agree with everything in the fourth estate, I happened to have a person there that night who listened to the hon. member. I think there were about 20 or 25 people representing seven or eight groups. Every one of those people had ways of spending the fund, not to invest. The public announcement in the press was, please come and advise me, the Member for Spirit River-Fairview, on how the fund should be invested. Every one of them came there with ways of spending the fund, with one exception, and it wasn't a bad idea. That was the fellow who suggested that perhaps we should buy an island way off in the south so the Member for Spirit River-Fairview could travel south in the winter.

Putting only 30 per cent in the fund, then spending 20 per cent of that on capital projects, Mr. Chairman, I think we often lose sight of the fact that fully 70 per cent of the non-renewable resource revenue coming into this province is currently being spent. If you look at any province in Canada on a per capita basis, which I suggest is probably the only fair way of measuring, the expenses incurred by this government on behalf of Albertans are second to none in the country. If one looks at the services provided, I frankly don't think any of those are second to any.

Sure, I would be the first to concede we've got house prices and others that seem to be synonymous with booming economies. But for heaven's sake, the Minister of Housing and Public Works has already committed \$1.7 billion of the fund to housing. How much more should be done? Are we forgetting in this Assembly that this province was not built by governments of any kind; it was built by people. I suggest we have a responsibility to preserve some of those traditions of how this province was built. We shouldn't be utilizing the role of govern-

ment to usurp that. The people of Alberta still have a lot to say, and I think that's reflected each time there's a general election.

Highways were mentioned. What other province of comparable size is spending \$0.75 billion in a transportation budget? Surely we should consider that for a minute — \$0.75 billion.

I can't help but recall the last provincial election. I was at the University of Lethbridge; I don't remember whether we won the poll. But I was part of a forum, and this student came up to me. He'd been there six years in a three-year program, and he said to me, how come you're so niggardly with student loans? They won't lend me any more money. I said, well, what do you think should be done? He went on at great length as to what we should do for him. I said, you may have a good point. I'll tell you what: we're in an election campaign, I'm knocking on doors tonight right near the university, we hit about 400 doors tonight. You come along with me, and I'll ask that question every time the door opens. If the citizens agree with you, I'll support you. He told me where to go. He said, those people are probably just as stupid as you.

In many ways, I think that reflects some of the views we've heard today. When you're in such a minority position and you don't have the respect of many people, you try grasping at straws to make the government of the day, that I believe is doing a good job, embarrassed.

So I certainly don't support their comments, Mr. Chairman.

Department of Agriculture

MR. CHAIRMAN: Does the hon. minister wish to make some comments?

MR. SCHMIDT: Thank you, Mr. Chairman. I would like to get into the specifics of the three basic areas of responsibility under Agriculture, and to have a few opening remarks on each, starting with Farming for the Future, touch on food processing, and finally the last area of responsibility through the fund, irrigation.

[Mr. Purdy in the Chair]

1 — Farming for the Future

MR. SCHMIDT: Mr. Chairman, I would to point out that Farming for the Future, the first item to be voted under the estimates, is barely four years old. Once the Legislature establishes the amount, the availability of those funds through the direction of 15 Albertans, is available to all members in the agricultural field. I might say that the benefits that accrue benefit not only each Albertan involved in the agricultural industry, but that information is also shared with all comers in the agricultural field regardless of what province or country they come from.

I'm very proud and pleased with Farming for the Future. In four short years, recognizing the role it has to play and recognizing that research is a long-term project, we've been very fortunate in achieving in a very short time and in a very special way some of the benefits that have to accrue to the agricultural industry; benefits that deal directly with input costs, changes in technology, changes in ways and habits that are shared financially, because it's part of an input cost and, when one reduces those costs, benefit the individual farmer and benefit the consumer at the other end.

I say success in four short years because if we look back over the period of years in research for agriculture within the province of Alberta, research was mainly carried out by universities, some by the federal government and federal stations, some by industry. It's amazing, when one starts in research, how many areas it generates for further research. Unfortunately in some cases, because of lack of funding, it reaches a stage where it becomes interesting and challenging and has to be dropped. Perhaps the timing for Farming for the Future was fortunate, because it fell into place and had the opportunity of picking up some of those challenges and some areas of funding which, by choice, we felt should be continued.

In order to achieve a broad cross section to see that every aspect of agriculture was covered, Farming for the Future was originally designed in eight basic sections. The funding was allocated and spread through those sections, which gave us a fair coverage right from seed variety, through the livestock industry, apiculture, forages and, this last year, the opportunity to add the ninth in consultation with irrigation districts: the need for some form of research in that particular part of the agricultural industry. We were fortunate in establishing the ninth section for Farming for the Future this last year, and added irrigation research in a very general way and added a member from the irrigation districts to form the 15th member of the Farming for the Future membership, Mr. Ed Shimbas of Taber, who I'm sure will bring a wealth of knowledge and experience to the council itself in making some of the appointments and selections for research in that particular field.

It's rather interesting that in four short years, we have had reasonable success in two particular areas. One is in the livestock field, recognizing that Farming for the Future shares some areas of research with not only other governments, other provinces and, in some cases, shared knowledge with other countries, but an opportunity to share as well with industry. Through the veterinary research work being done through VIDO in Saskatoon, of which Farming for the Future has a share both financially and otherwise, some excellent work for the feedlot industry is ongoing in livestock diseases.

One of the industries that has shown extreme interest and a large amount of work under Farming for the Future, and had some excellent results early — if you recognize that four years is exceptionally early for results in research — is the bee breeding program in the province of Alberta. For those members who are not that knowledgeable in the bee industry, the import of breeding stock was almost an annual ritual. After winter, replacement bees were brought in from California in the spring. We had a complete new bee crop each year, recognizing that the genetics came from another country — because most of them came from California — and all the inherent problems that come with an industry dependent for their basic stock from someone else's breeding, both from the supply and of course the financial point of view.

The research carried out in those few short years has the province of Alberta wintering its basic stock now. With that knowledge, we're producing a much harder bee, acclimatized to this province. Because we have limited movement of new stock, it's cut down the chances of disease, which is the type of thing that can spread rapidly in bees because of their close confinement. I understand it also has something to do with the temperament. Anytime you can get a bee working closer to your side, I'm all for it.

Mr. Chairman, I suppose the one other aspect in re-

search success has to be the recognition by others on the outside involved in the same areas of production, who feel that the benefits accruing to producers — in this case, within the province of Alberta — are worthy of support. Because of their interest in both the knowledge and the change of technology, they too would like to share in some of the research. I mention that because of the interest that's been shown by the western United States in some of the areas in research in products which they grow as well, recognizing that some of the areas of research are very similar because of geographic locations.

Early this summer, [I] had an opportunity to sign a research exchange with the state of Alaska, recognizing that the work that's done in research and actual agricultural production in the northern part of our province falls directly within the purview of what is available to Alaska from an agricultural point of view in seed varieties, both in forage and grain crops, and are also interested in the research that's been ongoing within the province in small vegetables and root crops, and some exchange of research in the use of waste heat. It's rather interesting and challenging to be part of the so-called research centres when you get states such as Alaska, the universities, and the farm organizations interested in an exchange of views and data, recognizing that some of the work has been ongoing in some of these areas not only inside but outside the province for well over 20 years.

So, Mr. Chairman, with those few opening remarks I would have to say that the Farming for the Future investment, through the Heritage Savings Trust Fund, is truly an investment, first of all in its people. We should be very proud of producers in this province — second to none. It's an opportunity to share with all in the area of production that goes far beyond our own borders, to look at the interest shown by Alberta producers. That can be judged by the submissions and those areas of research. They cover every aspect of agriculture within the province. I think the willingness of our neighbors in all directions to share, both financially and otherwise, in the name of research in agriculture is an excellent investment. I couldn't think of a better way. If one is to meet the challenges in the future, then research in agriculture has to be a must.

To date, the funding before you meets the requirements. This last year, 26 of 80 submissions were approved. That'll give you some idea of the interest. Funding has never been the end result of turning down submissions that had merit. In many cases, any reduction or stop in regard to the degree of research will probably be because of qualified researchers to carry out the program. To date, we haven't found that funding has been a problem. We look forward to the opportunity of new researchers. They're coming daily into the province because of the interest that's shown and an opportunity to work in their field.

So I look forward, Mr. Chairman, to an exciting future in research for agriculture, and would be pleased to answer any questions you have in the research aspect of Farming for the Future.

MR. MANDEVILLE: Mr. Chairman, just to make a few comments on this particular vote, I can recall that I thought it was a great thing when we put this money into Farming for the Future. I still think it can help somewhere down the line.

I myself have been a farmer all my life. All I've done is farm, and of course live on the family allowance cheque most of my life. But as I've gone through my farming

procedures, I see, for example this year, that we've got an abundance of grain. I know the hon. Member for Drumheller has no trouble producing grain in Drumheller. The problem is marketing the grain. That's where the real problems are. I'm sure he'll agree with my views. The help we get from the Department of Agriculture is appreciated, but where does it come right down to the farmer himself?

Maybe I don't use the district agriculturist enough; maybe I don't use some of this research information as much as I should in my operations. But it seems to me that we've got to change our method of helping agriculture. I think our district ags. do a good job with what they've got to work with in this province. But they don't get right out to the farmer. They don't come out to my farm and help me with my production or marketing. Maybe it's a fault of mine. But even in my district, I find that my farmers are just not using these facilities we've got in the Department of Agriculture.

As far as the livestock industry is concerned, this year we don't have any problem producing. We know what type of livestock we're going to get good conversion from. But I would like to know from the minister how this particular vote, for example, gets right down to the producers themselves, to help them? Is it in marketing, production, or in increasing new varieties? Should they be growing Thatcher wheat or Compana barley? Should we breed Charolais cattle or have a certain percentage of Simmental? In just what areas do they get right out to the Mr. Farmer himself and give him some assistance to increase cash flow and net income on the farms? That's the problem as I see it today: cash flow and the net income we get on the farms.

MR. CHAIRMAN: Does the minister wish to respond?

MR. SCHMIDT: Mr. Chairman, it's a good question: how does the information filter down to the individual farmer? First of all, I suppose it's a two-way street. I suppose that's been one of the problems and challenges for agriculture, not only in this province but throughout the world: getting the available information to the individual producer. We feel that we have a pretty good, effective department of extension. The availability of direct contact with individual farmers in their own particular communities through the DA's, regional specialists in livestock, dairy and soil specialists — I suppose that if the individual producer may have to make some effort stopping in and asking, then it becomes difficult. I think the information is there.

The question for the longer term is: is that information the latest information? If you stop in and ask that district agriculturist, because it happens to be a late spring, what types of barley or wheat you should sow, which can produce the best yield for your particular operation — you may not be interested in selling a particular crop; it may be for feed, and your use may require a special breed. Those are the types of things research can bring to the fore. Research in brush control can help the individual farmer and, in this particular case, the livestock industry. As brush creeps into grassland, it cuts down carrying capacities and increases costs.

Those are the areas that deal directly with the individual. I could read off a million of these that are tied with disease: how best to store grain, how best to control disease in stored grain. Diseases of animals: I think one of the prime examples, which I'm sure the hon. Member for Bow Valley is aware of, is the research done in VIDO

in the livestock industry and the final outcome, at last, something that would control calf scours, an excellent move. Now challenging some of the other areas: so-called shipping fever and respiratory diseases in feedlots. All those things affect individuals.

If research and changes in technology are as necessary and rapid as we foresee in the future, then the system of transmitting that knowledge to the individual farmer must change as well. We have been spending some time and energies in the area of communication. I feel it's necessary, and not impossible, to provide individual farmers in this province with a system where, by individual choice, they can ask as many questions about their day's operation as they wish, right in their own home at breakfast and, before breakfast is over, have those answers.

What that individual does with that information is a decision that I think should be made by the individual farmer. But the responsibility of the department lies in making sure that information is available and, secondly, that it is as up-to-date as possible and correct. I guess that's really all that research is. If there's an area of poor communication, I would be happy to work in that area. But it's a two-way street. For those people who are interested, unlimited information is available if you ask. I don't know whether that answers the hon. member's questions. But research is of little value if the information doesn't get to those who need it most, and in this particular case it has to be the individual producer.

MR. R. SPEAKER: Could the minister outline the committee which reviews applications that come forward. Is it an interdepartmental group that assesses submissions? I think 60-some were made, and around 30 per cent were accepted. Does the same group look at each submission for money to support research, or have you a variety of committees to do that?

MR. SCHMIDT: Mr. Chairman, first of all the Farming for the Future organization starts with a committee: a chairman, which is my basic responsibility; the vice-chairman is the Deputy Minister of Agriculture; the elected representative is the Member for Macleod; and, with the inclusion of irrigation, 15 producer members who represent all segments of industry across the province of Alberta. They're appointed individuals in nine separate divisions, each of which has a chairman and a separate committee. Submissions for research come collectively to the committee, and are funnelled into the various sections. The sections are basically these: apiculture and entomology, foliages, grains and oil seeds, land use and soils, processing, transportation, marketing, ruminants, special crops, irrigation, and non-ruminants. Each chairman and his committee are responsible for evaluating the submissions that fall within their particular area of jurisdiction. They come up with basic recommendations, and the committee as a whole then sits down and establishes the need, first of all, and those that would qualify for that particular coming year.

As I mentioned before, a rough idea of the numbers that came in during the year 1981 was 80 applications, of which 26 were accepted. You have to recognize that you may get duplications in some areas of research. They would be outlawed because there is already research going on, maybe not to the total extent. In some cases, two or three submissions can be bunched together and become one basic submission. So that's basically how they're handled. The chairmen throughout the province

are recognized, qualified producers in their own rights. They're individuals who sit on the committees. They're volunteers, and they make the decisions individually and collectively.

MR. R. SPEAKER: Mr. Chairman, to the minister. In terms of the persons applying for research, do they have to have a certain research background or university qualification? Or can someone with a good idea they wish to research — you know, they may want to do something on their farm or work with their animals in a certain way — propose a research project?

MR. SCHMIDT: Any individual with a good idea has the same opportunity to make an application for research, recognizing that when they make the application, they themselves will not be carrying out the basic research. Otherwise, in most cases, perhaps they would have had the answers they were looking for. About a month ago, I had the opportunity of meeting an extremely bright young lad in the Calgary office who had done some work entirely on his own. He works for a producer. I thought he had a good idea in the livestock field — basically, a system of recognition of individual animals, implants — and I suggested that he make an application. He had gone as far as he could go and didn't know where to go from there. That's the type of thing I think should be recognized, and certainly one should consider all aspects because all good ideas don't come from one particular section or branch or group, you know. People in agriculture are a rather ingenious group. They come up with all kinds of ideas and sometimes need the technical assistance to carry out that research. That's part of the basic responsibility of Farming for the Future.

MR. R. SPEAKER: Mr. Chairman, to the minister. In terms of the new person appointed to deal with irrigation, would the input required there be just in terms of problems with regard to irrigation, or better energy use such as wind power, water power to generate electricity to run irrigation pumps? Is there any kind of special area the minister was looking for in appointing that person?

MR. SCHMIDT: In the discussions we had with the Irrigation Council, members who make up all the irrigation districts had shown some concern in areas of salinity, seepage, and misuse of water, and were wondering how they could go about some system of achieving what they thought really was an area of research. Of course, they'd been carrying out some of the research in the different ways and means of upgrading canals: whether they should be concrete lined, whether they should be plastic lined, or a combination of both. Those were the types of areas they were looking at, perhaps more from a research point of view than just problems they had anticipated and run into.

Farming for the Future recognized irrigation in two particular areas. One was physically part of the question of whether the upgrading was achieving exactly what they were after; in other words, if you look at areas of concrete versus plastic, those types of things that are ongoing from day to day. We made Farming for the Future available to the point that even though it's ongoing as a capital project for the year, a normal upgrading, perhaps Farming for the Future could do the evaluation and come up, first of all, with some cost/benefit analysis of which type of lining is best; secondly, if it was really achieving what they were after, taking into consideration

the one year they had extremely cold weather and there was a lot of heaving; and do some evaluation on the ongoing maintenance. That's one aspect where Farming for the Future can help, because the expenditure is ongoing to start with.

The other, which perhaps is more important, is tackling the problem that not only is tied to the irrigation districts but plagues them; that is, soil salinity and whatever work can be done there, whether through drainage . . . But I think that's an area of research that all districts agreed would have top priority. I think that would be the direction they would be spending most of their time and energies in.

MR. R. SPEAKER: Mr. Chairman, to the minister. Would some projects that are taken on be rather like a cost/benefit study? It's a benefit study in one sense, in terms of the concrete lining example the minister gave. Do any of the studies go into cost/benefit analysis, that kind of thing?

MR. SCHMIDT: I should make clear that irrigation joined us this last year, and the submissions for their major thrust will be before us early in the year. Yes, I think the research should cover the total aspect of both short- and long-term cost/benefit. That's part of research. But to date, research has tended to go more the other way, looking at some things where the end result may be a cost saving, and of a different nature in research. But I certainly see a benefit from that point of view, in trying to assess physical changes in how one upgrades. That has to be a key, because that's really the reason you're looking at a change; that is, to either get more for your dollar or spend more in the short term but save it in the longer term in the maintenance aspect. That certainly has to be part of the research aspect.

MR. R. SPEAKER: Mr. Chairman, to the minister. Have there been any submissions to the committee with regard to research on the effect of chemicals? I believe the federal government is doing some work in that area and, as well, the Department of Agriculture through one of their branches. Has any submission of that kind been made to the committee?

MR. SCHMIDT: Mr. Chairman, they're listed here. It'll be a moment, I suppose. I'm not that familiar if there are. While the discussion is ongoing, I'll thumb through it and sort some of them out.

DR. CARTER: To the minister. I realize this is one opportunity for the rest of the Legislature to laugh, that I'm talking about agriculture. As far as I'm concerned, one of the interesting challenges about being in the Legislature is that one has to learn a lot of different things in a lot of different areas. Of course, one distinctive feature of the constituency of Calgary Millican, to use a play on words, is the stockyards in Ramsay. In that valuable part of the constituency, the whole matter of beef-cattle production and processing is obviously a very vital interest to a lot of residents of the area.

With respect to this amount to be voted, I wonder if the minister might make some comments with respect to processing of boxed beef, especially as it relates to expansion into the Montreal and Toronto markets. Has there been any enlargement in this area? Of course, the other thing relating to that is marketing of the same, and the great matter of transportation. Even a city slicker like me

realizes a lot of transportation costs have a very significant impact on the pricing, and therefore on the marketing, of a product such as boxed beef.

Also with respect to this particular vote, I see sheep are listed. I wonder if there has been any significant increase in the matter of sheep raising within the province and if that is really confined to one particular area of the province.

The final point I would like to have some information on is with respect to honey production in the province. In one part of the province, the area of St. Paul, I understand the cutter leaf bee has made a significant increase in production of at least one crop, if not two. I wonder if there has been any consistent degree of research or promotion with respect to honeybee production throughout the province.

MR. SCHMIDT: Mr. Chairman, I hope I can remember all the questions asked by the hon. member. Maybe it would be easier to start at the back and work forward. The production of honey has been perhaps one of the key areas and one of the first where any large amount of research has been carried out. We've spent about \$0.5 million in research in bee breeding in total, covering a number of areas of research as separate entities, and have had fair success.

First of all, one input cost was replacement on an annual base and, as I mentioned before, the outcome of research plus some changes by beekeepers themselves in challenging our winters. Wintering bees here has now given us as an industry the opportunity where most people carry over their bees from one year to the other and, as I stated, this provides us with a sort of Alberta hardiness built into the breed, and the opportunity for little or no disease to be transmitted with bringing in new replacements on an annual base.

While we're on the bee business, production is down somewhat because of some dry areas in the northern part of the province. But, I suppose, no different than any other aspect of agriculture, it suffers from Mother Nature's hand in the amount of moisture, either the lack or too much. But in a general way, [we] ended up with a reasonable crop. The success of leaf cutter bees, of course, is tied directly to the growth of legumes within the province. I suppose we've been more successful in the setting of legume seed with the use of the leaf cutter bee, which had a wild variety within the province but perhaps collectively not enough in any one area. But at the present time, the influx of the leaf cutter collectively has added to forage seed production and setting of seed.

Boxed beef has shown a fair increase in interest by the western United States. Boxed beef and boxed pork have been sold and shipped to areas like Hawaii, Alaska, certainly to the eastern market, and to southeast Asia, to the hotel trade. Really, the difference between boxed beef and carcass is select cuts; one orders whatever select cuts one wishes. If you want a 1,000 pounds of rib-eye steak, that's exactly what the boxed beef industry will give you. If you want 5,000 pounds of soup bones, that's what you can buy. The old system, of course, was shipping a carcass, and they may or may not end up with cuts that were necessary. When they had to buy sufficient carcasses to meet whatever particular cut they were after, too many other cuts could not be used. So, boxed beef and boxed pork have potential.

Some areas of conflict, some problems, exist in inspection. Inspections differ, whether meat is going to countries in North America or to Europe or southeast Asia.

But the problems are not insurmountable, and I think the livestock industry will have a fair future in the use of boxed beef.

A question was asked on where the sheep industry in the province of Alberta is going. I'm pleased to say that the reports we have through Lambco, which is the western Canadian outlet for sheep and lambs, show an increase of 37 per cent in lambs and 206 per cent in slaughter sheep to date in 1981 over 1980. For those who are not aware, we also slaughter veal at Lambco, and that has shown a 600 per cent increase for white veal. Those are slaughter numbers and increases. Of course, the increase in the industry is fairly well spread across the province. We're very pleased with the growth in the industry, and it's reflected in the slaughter numbers.

Unfortunately, the sheep and lamb market, not unlike the cattle market, is not very high at the present time. But we feel that Lambco, being the most modern, up-to-date facility for handling the sheep industry, has perhaps been a key with producers in building an industry that is just barely in its infancy. I think you will see it continue to grow. It would appear that they're doing an excellent job in marketing. Alberta white veal and Alberta lamb are certain premium as far as quality is concerned; no problem in meeting its challenge over imported lamb. Of course, white veal is rather rare and has a ready market because of the limited amount available.

I hope I've touched on all the areas of concern, Mr. Chairman.

DR. CARTER: Just two supplementaries, please. With respect to boxed beef, the minister mentioned that the matter of inspection was one of the difficulties. Could you just comment: is it that most other countries want to have their inspections done here or at point of entry? The other question is, is sheep production primarily in central Alberta?

MR. SCHMIDT: The sheep industry is fairly well spread across the province — southern, central, and northern. There's a fair concentration in the area south of Drumheller, some concentration in the southwestern part of the province, and some fair flocks in the northern part of the province. We would see that industry growing, perhaps because of availability of land, perhaps more from east-central, recognizing that if you stick closely to the newer areas in the gray-wooded areas where the livestock industry tends to move, which covers the western portion, you'll also get into coyote country. The two don't mix too well. So you'll see your growths in the short-grass country, as is indicated mainly through east-central and central. And I think there will be a growth factor in some of the more populated areas in both southwest and northern Alberta.

[Mr. Appleby in the Chair]

The inspections for boxed beef are carried out at the plant, the source of cutting. It's either done by inspectors from the country to which the meat will be shipped, or that country will stipulate the inspection requirements at the point of export. We have some problem meeting some of the requirements from an export point of view by some of the European countries. Inspectors are brought in to inspect the boxed beef that goes to parts of the United States or areas under the control of the United States, and then it's shipped.

MR. L. CLARK: Mr. Chairman, I wonder if research under Farming for the Future ever goes into co-operation with private farmers, to funding enterprises right on the farm under field conditions; for example, some new products farmers would like to test out. I wonder if they ever do this under field conditions, such as liquid fertilizer or some of the sprays that are out. I would also like to see if they fund any new farming techniques. One that comes to mind right off the top of my head is what they used to call no-till farming. They have a new name for it now, I believe. I wonder if there are any of those programs.

MR. SCHMIDT: Mr. Chairman, I think the hon. member is talking about zero tillage, or near zero tillage. Some research is going on at the present time. It's done on site, and the evaluations are done on site. So, Farming for the Future does get involved with the practical application, inasmuch as the evaluation is perhaps done right on the farm itself. Zero tillage is covered in that particular area.

Other areas are taken on site. Perhaps the easiest way for me is to provide the last report we had that breaks down each area of research, and then all hon. members could sort of pick through them and satisfy themselves of the broad expanse and area of research as it fits into each particular section, of which there are nine.

In the use of insecticides/pesticides, I've just thumbed through halfway and I find five areas of research that is being carried out on the use of insecticides and pesticides, three of which deal with all aspects of weed control, one in cereal crops, and one in forages, one the effect of total control from insecticide/pesticide use and cultivation use on Canada thistle control, one on total weed control on Alberta crop land, which covers a broad spectrum of the use of insecticides/pesticides. To those pesticides that deal directly with the livestock industry, we're doing some research on the black fly in the Athabasca area.

We're also doing methods of brush control, taking into consideration the use of insecticides as well. Effective weed control on established persistence of legumes is a specialty approach and, again, that's done with the use of chemicals. The protection of cattle against blood-sucking flies is being carried out by the research station in Lethbridge. Weed control on forage grasses — there may be some more in there; I haven't covered the total document.

MR. R. SPEAKER: Is the research on Canada thistle complete at this time, or is just an interim report available now?

MR. SCHMIDT: The one on Canada thistle is not completed. It's being carried out through both Agriculture Canada and Alberta Agriculture at the Lacombe station. It's ongoing. This will be the third year of the program.

MR. MANDEVILLE: Mr. Chairman, I'd just like to ask the minister what role the hort. station in Brooks plays as far as Farming for the Future program is concerned. Do they operate programs related to the Farming for the Future program out of the horticultural station in Brooks?

MR. SCHMIDT: Mr. Chairman, Brooks is an Alberta research station and, as such, does some of the individual, selective work for Farming for the Future, basically tied in with their overall responsibility of research in a very

general way. I'm sure the hon. member is well aware of the successes Brooks has achieved over a period of years and, of course, covers a pretty broad spectrum in production — fruit, potatoes, row crops; in fact, you name it and they have it. They've been highly successful in solving some of our greenhouse problems, from a production point of view and some of the problems that usually show up when you start greenhouse production of tomatoes and cucumbers, and as well have been highly successful in competition in growing lettuce.

Brooks has done an excellent job, and I would suggest to all hon. members that if you happen to be in the area or going by, we do have a field day which is wide open to the general public. I think you would find it rather interesting to see everything from white Saskatoons to so many different varieties of strawberries that even if you stole every second one out of each patch, you would still be full before you got through one-third of them.

Agreed to:

Farming for the Future

\$7,500,000

DR. CARTER: Mr. Chairman, is the amount \$7.5 million or \$3.5 million?

MR. CHAIRMAN: Seven million, five hundred thousand dollars.

2 — Food Processing Development Centre

MR. MANDEVILLE: Mr. Chairman, just before we approve that vote, I wonder if the minister would be able to indicate just what stage this centre is in, and maybe indicate some of the products that are going to be processed at the centre.

MR. SCHMIDT: Mr. Chairman, I'd be pleased to give you the limited information we have. Basically, it was just last year that the concept of a food-processing development centre was announced. The initial funding set aside for a start was for some preliminary research in the type of facility that would be required, its location, and the start of a basic design.

For this year, 1981-82, we have done the basic study as to what the building should achieve by design standards to meet the needs of a true food-processing centre, and come up with some of the basic changes in design; in other words, prepare a set of drawings that will be ready to start construction for the year 1982-83.

The location, because the centre is of an international nature, is in the northeast section of Leduc, giving it close proximity to the international airport. It provides close proximity and access to the University of Alberta, which will perhaps also avail itself of the use of the centre. This particular part of the province has the availability of approximately every type of production that may or may not by choice go through the processing centre. The property contains about 10 acres, right in the heart of the town of Leduc's industrial centre. The size of the building will be 2,440 square metres. If you're a metric whiz, you can figure that one out.

The centre has created a terrific amount of interest [among] all the processors within the province, even those who are looking to the future in some areas of specialty crops. Interest has been shown by some of the bakers, an industry that would like some area to upgrade its basic product, mainly in packaging because they find that proper packaging is perhaps one of their largest problems

involved in marketing, to be both acceptable to the consumer but also to keep the product relatively fresh for a long period of time.

It's our view that the meat industry will perhaps be the key user: the upgrading of processed beef, pork, or any other form of meat. The building wasn't designed strictly just for that, but we feel that because of the lack of opportunity for the livestock industry to avail itself of this type of approach, it will perhaps take up the largest share of the time as soon as the building is opened. It's the intent that it will be available for all. Also, we don't intend to provide the total staffing. It will be there for industry to come with experts in that particular industry to utilize the facility, and to take back to their individual plants whatever benefits accrue from their work there.

Because of the need for a facility, three professional staff members work in the department now. They would be transferred directly to the facility. We feel that once the plant is open the total staff will complement what already exists. We have one technician. Once the building is open, we feel that from a staff point of view the maximum we would add is two new professional people, perhaps some technical people, and a couple of secretaries. So it looks as if the maximum, including staff that already exists, would total somewhere around 13 or 14 people.

We hope it will be finished in 1984 and ready for use. So the funds before you are the staging, ongoing expenditure for the actual physical building itself.

MR. R. SPEAKER: Mr. Chairman, to the minister. In Alberta, we produce about 15 per cent of the vegetables for Albertans. Maybe it's a little lower than that now; it's around there anyway. Is one of the projects to have temperature-controlled units within this building, to try to come up with different methods by which we can store our product into the months of January, February, and March?

MR. SCHMIDT: Mr. Chairman, we've done a fair amount of research in that area. I can't say yes or no; I haven't seen the basic design. The professional people who have been involved have covered every aspect physically in the building itself, so it will be able to perform to perhaps a greater degree than any — I understand a comparable unit doesn't exist in the province. So I can only assume that because of the interest shown, certainly if we're going to do some upgrading and processing of specialty crops, that has to be one of the keys.

I'll have the opportunity to see some basic designs, and I could perhaps get that answer back to the hon. member. But I can't see us designing a facility such as this and not taking care of that particular aspect, because it's so key to storage here.

Agreed to:

Food Processing Development Centre

\$3,150,000

3 — Irrigation Rehabilitation and Expansion

MR. MANDEVILLE: Mr. Chairman, just before we vote on this particular vote, I'd like to ask the minister a couple of questions in this area. This is divided up for works within the 13 irrigation districts in the province. I appreciate it's a 14:86 split, but what formula do they use to divide it up among the irrigation districts, and do any of the smaller irrigation districts have a problem coming

up with their 14 per cent? Are they able to utilize the grants and the 86 per cent that comes from the province?

MR. SCHMIDT: Mr. Chairman, one remembers the original irrigation program we had some two years ago, where there was some \$90 million for agriculture over the long term for the upgrading program. Funds that were available on an annual basis sometimes left it rather short for some of the irrigation districts when each one submitted their expenditures for the year. In many cases, it exceeded the amount of funding available for that particular year.

When the 15-year water-management program was announced by my colleague the Minister of Environment, Agriculture then revised its role on a five-year base. It was done at that time particularly, because we felt that it was difficult to budget over a period much longer than five years, recognizing that the budget really is the indication of irrigation districts on where they want to go.

So in setting up the basic program, we asked the districts themselves what they felt would be a fair expenditure on behalf of each. Of course, we recognize that they vary in size, so their needs and expenditures will differ. It's our understanding that each irrigation district came up with a long-term plan basically tied to the five-year program Agriculture had established, of which we're now in our second year.

We should be able to meet their financial requirements on request each year. At the close of this year, we will have expended in excess of \$19.5 million. As far as I know, that has met the total request by the districts to date, and it's also my understanding that the requests before you represent the irrigation districts' submission, again tied to their long-term program, recognizing that some may have an accelerated program compared to others. At this time, I have no knowledge that an irrigation district has not been able to meet its requirements because it can't come up with its 14 per cent. The sharing between province and district is 86:14, and to my knowledge that's not a problem.

MR. MANDEVILLE: A further question to the minister on this vote. I see that under Environment, we have some money for irrigation as well. Are any of these funds used as far as internal storage is concerned, or does the Environment vote handle internal storage within the districts themselves?

MR. SCHMIDT: Well, Mr. Chairman, under the terms of the agricultural section of upgrading, we accepted that the upgrading also included some areas of internal storage, on a much smaller scale, of course, than is involved with the Department of Environment. Perhaps the hon. member would check: one of the supplementary estimates before you at the close of the irrigation estimate is for that particular type of storage that is the responsibility of Agriculture. In this particular case it happens to be the Sauder Reservoir upgrading, which is part of the internal storage which falls under Agriculture. So yes, we do some, and in this particular case it's a separate entity. But in most cases, the expenditures to date on behalf of the irrigation districts have been mainly on the upgrading of interconnection and canals, and some of the main ties themselves.

MR. MANDEVILLE: Mr. Chairman, it has been a concern of the irrigation districts — there has been talk — that they're going to change the formula [to] 75:25. Has

any consideration been given to increasing the districts' share of the contribution in the near future?

MR. SCHMIDT: Mr. Chairman, when the joint announcement on the water-management program was made by my colleague the Minister of Environment, we stated at that time on behalf of Agriculture that because the program was established for five years, the sharing arrangement of 86:14 would stay during the life of that five-year contract. We also stipulated that there would be a review for the next five years, because Agriculture committed itself for the full 15-year water-management period, but asked for the right to review the budget on a five-year basis and also to review the sharing percentages in agreement at that particular time. So the 86:14 will be in place for the remainder of the five years.

MR. MANDEVILLE: Mr. Chairman, just to make sure I understood the minister clearly. The minister indicated that all the irrigation districts are getting the money they request on their budgets as far as the province is concerned. Does this amount of money cover all the requests that come in from the various irrigation districts on their programs?

MR. SCHMIDT: Mr. Chairman, it has to date. In their basic submissions to the Irrigation Council, that collectively come back with the suggested expenditures and requirements for each district each year, to my knowledge I've had no communication other than that they have been receiving their total commitment according to whatever plan they agreed upon, recognizing that each district has a plan for the total five-year period. Some have an escalation plan where most of their expenditures in the five-year period are early and phase out. Some start at a reasonable rate and then build up, depending on their need and on the engineering.

MR. MANDEVILLE: Mr. Chairman, one final question. I'd just like the minister to indicate the constitution of the Irrigation Council. Has the irrigation projects association any representation on the council now? I know that at one time they were looking to get some representation on the council. Is there any representation at this point? Or has there been a request to the Irrigation Council to put representation from the irrigation projects association on the council?

MR. SCHMIDT: Mr. Chairman, I don't know. I can find out for you, but I'm not sure. I know the Irrigation Council is made up of representatives from all the districts. I'll have to check into that and come back with the answer.

MRS. OSTERMAN: Mr. Chairman, I just have a quick question for the minister. It's a concern that was raised by some of my constituents in the rehabilitation of the smaller canals. I wonder if we set the policy in terms of how that rehabilitation is done. A specific concern was the brushing of both sides of the canal. Is there a firm policy that was established for all the districts?

MR. SCHMIDT: Mr. Chairman, the control of brush along the canals and the system used to control, whether by chemical control or by hand brushing, is a choice of the individual district, recognizing the maintenance problem that exists. The use, or the contamination, of the water within that canal, whether it's being controlled with

chemicals, would fall directly under the Department of Environment.

Brush control has always been a very difficult problem for irrigation districts. Being difficult — and before programs really existed — I believe some of the brushing had sort of been left because of other needs. Since the involvement of the departments in a sharing rate, where we're upgrading the canal systems, brushing has perhaps taken on a much keener approach from a maintenance point of view. That's why some of it, of course, was fair sized and had to be done manually. I have no indication that we have any problem with the control, other than that it is a continuing type of thing, and getting rid of brush costs money.

MR. L. CLARK: Mr. Chairman, I would like to ask the minister if a firm policy has been established whereby off-stream storage reservoirs built under the cost-sharing program — is it a policy that one over a certain size is cost shared, and if they're over that size they're built by the Department of Environment? Is there any definite policy established on that?

MR. SCHMIDT: Mr. Chairman, I would suggest that the hon. member ask the Department of Environment. Off-stream storage falls directly under their purview. I'm sure my hon. colleague will answer that question at that time.

We have no set size on internal storage, recognizing that the more the merrier. Because, within the district, one gathers whatever internal storage one can as a benefit. The only suggestion I can give to you, if you look at the supplementary estimates, which we will be going into shortly, is that we'll be enlarging that capacity from 5,000 acre feet to 30,000 acre feet. I'm sure there are other areas where you may not get that type of increase in storage, but still a benefit to the district. So, no, we don't set any basic size. Storage is storage. Because of the topography in each particular area, and circumstances, I'm sure one has to take whatever is available as far as size is concerned.

MR. R. SPEAKER: Mr. Chairman, one question to the minister with regard to the 86:14. Some districts are considering a policy whereby individual farmers can pick up the 14 per cent. Has the minister any comment on that? Does it affect the program in any way?

MR. SCHMIDT: Mr. Chairman, I know there is considerable interest. I guess that is one of the keys to areas of research and changes in our methods. Rather than continuation in some areas of providing a service by open ditch, irrigation districts are now taking a long look, and wisely I might add, at the use of pipe. You have to recognize that if you're going to bury pipe, it has to be of fair size. At the present time, some of the low-pressure pipe available to pipelines is the type of pipe that could be buried. Smaller pipes can be made of either metal or plastics.

But basically, to answer your question, interest is being shown by individual farmers in burying pipe because of the advantages, first, to themselves and, secondly, to the district. There is no loss of water; you get complete, total utilization, recognizing that capital costs may be a little high to start with, but the maintenance cost dwindles to practically nothing. On the longer term, it's perhaps cheaper than trying to upgrade some of the canals.

Individuals who feel that perhaps financially they

would prefer to go that way now, may be putting some pressures on irrigation districts for their share of the 14. To take some of the pressure off themselves, I suppose [they could] say to the individual that if he or she wished to go that route, the sharing is 86:14 and, if the individual wished to put up the 14, then the irrigation district really wouldn't have any complaints. It doesn't affect our program. It still qualifies, and the irrigation district makes the application because it's still directly under their total control.

But it's just one of the aspects where a change in philosophy indicates to us that perhaps it was wise to review the agricultural approach each five years. There could even be some further changes in technology, in the use of different types of pipe, that may change that direction again. Every time you go to that upgrading, it takes away some of the seepage problems that existed. I think pipe will be the answer. From a dollar and cents point of view, I don't think it's that much higher, even on the initial installation, than an upgraded type of open ditch.

MR. MANDEVILLE: Mr. Chairman, I'd just like to make a comment on internal storage and ask a question. I wonder if either the Minister of Agriculture or the Minister of Environment are taking any analyses or surveys on the amount of good agricultural land some of the districts are now using to store water. I'm thinking of the Eastern Irrigation District. It's a must that they store some water. At the present time, we have no water for storage other than Lake Newell. That's everything below Lake Newell. But we don't have any storage whatsoever on the Bow River at the present time. The Bassano dam is only for diversion.

So in the Eastern Irrigation District now, we're taking large tracts of good farmland and using it for internal storage. I wonder if either minister is looking at this, to see if there is a different method of storing water. Taking my particular district as an example, we have the 14:86 per cent cost-sharing program when it's within the district. Possibly we should be looking at having the same type of sharing program if we're on stream. We could put the Eyremore dam in, down in my constituency. The

Eastern Irrigation District could store a million acre feet of water and have some storage there.

Maybe instead of taking this good agricultural land out of production, we should be looking at putting storage on the Bow River basin, where it's not going to be affecting large tracts of farmland. Possibly we should be looking at a formula. I wouldn't say the Eastern Irrigation District should be putting up the 14 per cent, but possibly whoever is using that water should be looking at putting in some money as far as capital works on our river basins are concerned. I'd just like either the Minister of Environment or the Minister of Agriculture to comment in these areas.

MR. CRAWFORD: Mr. Chairman, while on the subject of storage, perhaps in light of the hour we can store the answer until tomorrow. I move the Committee rise, report progress, and ask leave to sit again.

MR. CHAIRMAN: Are you all agreed?

HON. MEMBERS: Agreed.

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report and the request, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, in regard to tomorrow's business, no decision has yet been taken as to whether the House should sit tomorrow evening. I regret not being able to pass that information on to hon. Members.

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

