

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, March 19, 1982 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 238
Public Access to
Pollution Monitoring Surveys Act

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 238, the Public Access to Pollution Monitoring Surveys Act.

Very briefly, the provisions of Bill No. 238 would require the Department of the Environment to publish all pollution monitoring surveys undertaken on a regular basis in the province.

[Leave granted; Bill 238 read a first time]

Bill 22
Securities Amendment Act, 1982

MR. KOZIAK: Mr. Speaker, I request leave to introduce Bill No. 22, being the Securities Amendment Act, 1982.

Following passage in this Legislature last year of the substantial new securities legislation, certain representations were made to us for improvements. On the basis of those representations, this Bill contains technical improvements to the securities legislation.

[Leave granted; Bill 22 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I would like to table Sessional Paper No. 94, the 1981 Report of Inspection of Laboratory Animal Care and Facilities at Alberta Universities.

MR. TRYNCHY: Mr. Speaker, I would like to file two copies of the annual report of the Recreation, Parks and Wildlife Foundation.

MR. SPEAKER: I am tabling the 1981 annual report of *Alberta Hansard*. I think members may find it interesting.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 20 students from McKay Avenue school in the constituency of Edmonton Centre. They are accompanied by their leader Mr. Myhre and are seated in the public gallery. I ask that the students rise and receive the warm welcome of this Assembly.

MR. KING: Mr. Speaker, I would like to introduce to you, and through you to the members of the Assembly, 14 grade 10 students from Concordia College. Accompanied this morning by their instructor Mr. Willie, they are seated in the public gallery. I ask them to rise and receive the warm welcome of the Assembly.

MR. D. ANDERSON: Mr. Speaker, I am pleased today to introduce to you and to members of this Assembly approximately 15 journalism students from Mount Royal College in Calgary. To make the weekend easier for those in our press gallery, I should indicate that to the best of my knowledge none of them have applied for jobs in this Assembly, yet. These students are accompanied by their instructor Mr. Dave Margoshes, a veteran journalist in his own right. They are seated in the public gallery, and I ask them to rise and receive the welcome of the Assembly.

DR. BUCK: Mr. Speaker, this may be a time a person could try to wait and gain a little time by making a filibuster, because my guests are just filing in. But the members of the Assembly well know that I would never do that.

Mr. Speaker, it is my privilege and pleasure this morning to introduce 64 grade 6 students from Pope John school in Fort Saskatchewan. They are accompanied by their teachers Mirella Gibeau and Mr. Stewart, and parents Mrs. Conley, Mrs. Fung, and Mrs. McHugen. They are seated in the members gallery, and I would like them to rise and receive the recognition of the Legislature:

head: **ORAL QUESTION PERIOD**

Provincial Budget

MR. . R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer — it was going to be to the Premier — specifically with regard to page 27 of the budget speech last night. I raise this because this kind of question will not be discussed in estimates study. Mr. Speaker, the precedent set here is that the Provincial Treasurer is indicating the potential of a supplementary budget in the fall. The factors are "external and internal economic factors". At this time, could the minister elaborate on those factors? What changes could he foresee this summer that would bring about that potential fall supplementary budget?

MR. NOTLEY: Closeness to the next election.

MR. HYNDMAN: Mr. Speaker, there is no specific reference to a supplementary budget. But as the hon. leader notes, there is reference to external and internal economic factors. I suppose a major one would be the status of the economy of the United States over the next eight or nine months. There are two very different philosophies: one of the Reagan administration and another of Mr. Volcker in the federal reserve board. As well, there are very different predictions as to what might happen to the American economy, to interest rates, and to the deficit. Alberta is linked very directly to the United States, in the sense of the North American economy. Therefore, what happens there is one factor.

As well, we don't know what changes the federal government might make with respect to the national

economy. We have called on them to bring forward a new budget to replace the unfortunate one of last fall.

Those would be two factors, unknown at this time, which might require modifications to be made with respect to the financial plan in the months ahead.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. In light of the comment with regard to the federal budget, has the minister any indication of changes in the federal budget? Has the province of Alberta made specific representation to the federal government with regard to certain kinds of changes we need in Alberta?

MR. HYNDMAN: Those changes and recommendations were made in detail by the Premier at the recent first ministers' conference.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. I think this could be another reason. At the present time, we see an economic downturn in Alberta. Here today we have unreasonable mortgages, unreasonable layoffs, and bankruptcies. Why aren't some of the changes the government has in mind being put in place now to meet some of those problems?

MR. HYNDMAN: Mr. Speaker, that's exactly what this budget does. In its two major thrusts, it pumps in a record amount of capital dollars: \$5 billion to stimulate the economy of the province and retain jobs. Secondly, it helps Albertans cope in many ways with the slowdown at the moment: by the natural gas price protection plan, by subsidies of over \$220 million, plus \$86 million to subsidize property tax payers. I could go on, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, I certainly agree. The Provincial Treasurer is right. It's pumping money into the economy, a very socialist approach. [interjections] You have set the groundwork for my hon. friend from Spirit River to take over your position. When you're there, you'll have no changes to make, my hon. friend. So here we are.

MR. NOTLEY: You've got them red-faced, Ray. Keep at it.

MR. R. SPEAKER: Mr. Speaker, my question to the Provincial Treasurer is: what specific measures will be put in place to stimulate the economy from the grass roots, so the private sector of this province can exist?

MR. SPEAKER: It's quite obvious that we have started a mini-debate on the budget. I would not like to extend the enumeration of problems by the hon. Leader of the Opposition...

DR. BUCK: We don't have that much time.

MR. SPEAKER: ... by aggravating problems in the question period. Could we make the questions specific, as to current concerns that the hon. leader may have, so we can get back into the question period.

MR. R. SPEAKER: Mr. Speaker, on the point of order. The question I just related to the minister relates to my original question, where I said "internal economic factors". Inferred by that are internal economic solutions. I'm asking the Provincial Treasurer for specific solutions

to some of our internal — and when I refer to internal, I'm talking about the province of Alberta — problems facing Albertans. One of the those is a slowdown in the private sector of this province.

MR. SPEAKER: I think the hon. leader will recognize that to answer a question like that, even just in basic fairness, could take a half-hour. It's really quite an unspecific question. I can't overcome the conviction that what we're doing is dealing with the budget. Of course, there are going to be opportunities to deal with the budget. I believe the hon. leader has adjourned the debate until next Monday. It really seems to me that we should be getting back to the purpose of the question period, which is to deal with present specifics.

MR. R. SPEAKER: Mr. Speaker, it wouldn't have taken a half-hour. It would have taken only 30 seconds, because the hon. minister's answer...

MR. SPEAKER: Order please. Let's go from prophecy to interrogation.

MR. R. SPEAKER: Mr. Speaker, a very specific question to the Provincial Treasurer, with regard to revenue projections. That might be one of the reasons for a change in this budget and maybe a greater deficit in this province. How seriously can this budget be affected by deteriorating world markets and world prices for oil?

MR. SPEAKER: Order please. Surely that's a matter of debate. We're debating the merits of the budget, or inviting the hon. Provincial Treasurer to do so. We're going to ask him for his opinion as to what effects may or may not occur. Surely we have to get down to specifics; otherwise we're simply debating the budget.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. In light of your comments, I'll try to word it correctly. In the revenue projections of the provincial budget by the Provincial Treasurer, was one of the considerations the potential of the real price of oil deteriorating over the coming fiscal year?

MR. HYNDMAN: Mr. Speaker, as the budget points out, the figures from last fall's energy agreement, for example, have been revised in light of the North American downturn and the softening of world prices. With respect to the budgeting process, though, we have to make an estimate of what the revenues would be. As indicated in the Budget Address, the revenues with respect to oil and natural gas reflect an estimate for the coming year. Certainly those world oil prices have dropped from what they were a year ago. What they will be in four, six, eight, or 10 months is hard for anyone to predict with any precision.

DR. BUCK: Mr. Speaker, a supplementary question to the Provincial Treasurer. It's a specific area of concern related to the Alberta Opportunity Company. There are just generalities in there. Is the Provincial Treasurer in a position to indicate if the government is considering some small business loans from the Alberta Opportunity Company, specifically for small business people looking at loans of \$50,000 and under? Is the government going to come up with any specific policy of low-interest loans for that specific group?

MR. HYNDMAN: Mr. Speaker, the budget points up and funds a number of programs which are of very direct benefit to small business, the engine of the Alberta economy. The details of that question and the record of performance of the Alberta Opportunity Company and what it is planning for the future are best dealt with under the estimates of Tourism and Small Business.

DR. PAPROSKI: Mr. Speaker, a further question. I wonder if the Treasurer has information or studies to indicate the multiplier effect on private business as a result of capital project development in this province or in general?

MR. HYNDMAN: Mr. Speaker, there are a number of studies with regard to the multiplier effect of the \$5 billion of capital injected into the Alberta economy, as proposed by the budget. Without question, the multiplier effect will be very substantial. The multiplier numbers vary, depending on which economic study one looks at. There's no question that throughout Alberta, small businesses particularly — large and small, and those who have jobs and want to retain them — will benefit from that injection of capital dollars.

MR. SINDLINGER: A supplementary please, Mr. Speaker. It's in regard to the original question posed by the Leader of the Opposition, wherein reference was made to page 27 of the Budget Address and the final phrase, "this financial plan [that is, this budget] may be revised accordingly." My question is whether or not the government is giving consideration to bringing down a mini-budget, rather than resorting to special warrants throughout the budgetary year.

MR. HYNDMAN: Mr. Speaker, there's no question or suggestion of a mini-budget at this time. To be responsible, though, in this unusual year I think it's proper for the government not to have the budget written in stone. Therefore, in responding to external and internal economic factors, we have indicated that the financial plan may be revised accordingly. However, there certainly will be some special warrants, because when the government moves — for example, when a decision is made on the \$133 million cattle program the farmers want, and the government feels action is necessary to get those benefits out to the farmers right away, which would happen with special warrants; not a six-month delay.

MR. R. SPEAKER: What nonsense is that? Why does

MR. SPEAKER: Order please. In fairness, the hon. Member for Calgary Buffalo ...

MR. R. SPEAKER: That's ridiculous. Put it in the budget.

MR. SPEAKER: Order please. The hon. Member for Calgary Buffalo has started on a sub-topic. In fairness, perhaps it would be well to let him pursue that for a reasonable time.

MR. SINDLINGER: Mr. Speaker, in regard to the first question, the special warrants, may I ask the Provincial Treasurer whether consideration would be given to bringing down a mini-budget for those things which could be contemplated in advance, as opposed to exigencies such

as that just referred to by the Provincial Treasurer. [interjections]

MR. HYNDMAN: Mr. Speaker, in the situation with respect to forest fires, for example, it's impossible to predict. We have moneys to support an anti-forest-fire program to the best extent we can. There will always be some special warrants.

DR. BUCK: Ski hills.

MR. HYNDMAN: Every government in Canada has them. We keep them at a minimum. [interjections] We will continue to keep them at a minimum. I think people want to see a responsive government that is not waiting around, that is on the front line of making decisions and helping when it has to be done.

We can debate this much further, of course, when we see whether the opposition supports or is opposed to the special warrants of this year, which are in this budget.

MR. SINDLINGER: Mr. Speaker, in all fairness, I'm not criticizing the government's quick action when situations or circumstances require it. But certainly in the past, the case with special warrants has been that there have been large expenditures for projects which could have been foreseen far in advance.

SOME HON. MEMBERS: Question.

MR. SINDLINGER: The question I have for the Provincial Treasurer, at this point in time, is whether he would table those studies and reveal the multiplier effect from the capital stimulation brought up by the other member.

MR. HYNDMAN: Mr. Speaker, a number of public studies as to the multipliers are done at universities and by economists all over Alberta and Canada. They're certainly very substantial numbers which will result in improved economic stimulation in Alberta. But I wouldn't want to pick one or another of the various studies, because it seems that these days economists are not in total agreement as to where the economy is going.

AN HON. MEMBER: They never were.

MR. KNAAK: A supplementary question, Mr. Speaker. It concerns the budget as well. What's the time frame with respect to the implementation of tax incentives for small business? Is the minister currently considering them, and when may the House have an announcement in that regard?

MR. HYNDMAN: Coming up very shortly, on April 1 this year, the benefit with respect to the small business tax instalment waiver will come into effect. The Alberta rental credit, which will stimulate and, hopefully, bring private-sector moneys to the housing sector and enable the construction of some thousands of units, is in effect as of January 1 this year.

As indicated in the budget, we are continuing to work on phase two of the business incentive plan. Phase one, where we now have control from Ottawa of our own corporate tax system in the province of Alberta, has been put into effect. There'll be developments and announcements in the weeks and early months ahead on phase two.

MR. KNAAK: A further supplementary, Mr. Speaker. The Member for Edmonton Whitemud was sort of anticipating an announcement with respect to a reduction of the million-dollar minimum for loans from the Heritage Savings Trust Fund. I wonder if the minister can announce whether he's considering lowering that ceiling of million-dollar loans from the trust fund to commercial enterprises, where the government lends two-thirds of the total, the rest coming from private lenders, and if that limit is being reduced to some smaller amount, specifically whether consideration is being given to reducing that minimum to \$250,000.

MR. HYNDMAN: Mr. Speaker, at the moment I should point out that they're not loans; they are purchase of debentures, which is a somewhat different situation. As indicated recently by the Premier, the question of the heritage fund and its priorities over the coming months is under review in all respects.

MR. NOTLEY: Mr. Speaker, a supplementary question. I believe I recall the Treasurer indicating new estimates on oil and gas revenues. In view of the fact that we have the estimates on oil and gas pricing and the division among the federal, provincial, and companies as a result of the energy agreement last September — and that information is public — has there been an update? Is the information contained in that September agreement accurate, in the Provincial Treasurer's judgment? If there has been an update, can we have that tabled in the Assembly as public information?

MR. HYNDMAN: Mr. Speaker, as the budget indicates, there have been revisions of the estimated revenues from the September 1 agreement by everybody in the country, by reason of the state of the international supply/demand on oil, which has resulted in a lower price. As well, a recession around the world and the economic problems in the United States have caused lower demand. As a result, there are a number of lower estimates; however, they're very much a moving target. I see little to be gained in trying to put forward projections on a day-to-day basis. Undoubtedly, though, the matter can be discussed much further in the estimates of the Department of Energy and Natural Resources.

MR. R. SPEAKER: Mr. Speaker, a supplementary question.

MR. SPEAKER: Might this be the final supplementary on this topic.

MR. R. SPEAKER: It will be, Mr. Speaker. The Provincial Treasurer hasn't given any specific factors. Could he confirm that one of the basic reasons for a fall supplementary budget would be a preamble to a fall election?

MR. HYNDMAN: Mr. Speaker, I haven't talked at all about any fall budget or supplementary budget.

Pay-TV

MR. R. SPEAKER: Mr. Speaker, I have a second question. Although I notice the Associate Minister of Telephones isn't here, possibly the acting minister could comment with regard to the decision yesterday by the Canadian Radio-television and Telecommunications Commission, granting six licences for pay-TV across

Canada. What is the government's response to that at this time? The government's earlier position, in Bill 40, indicated it wanted to control this type of broadcasting in the province of Alberta.

MR. McCRAE: Mr. Speaker, as acting associate minister, I'd be happy to take the question as notice and have the hon. minister report back next week.

Provincial Budget (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Housing and Public Works. In light of the tight housing market in the province, why has the government chosen to reduce the number of units financed this year through the Alberta Home Mortgage Corporation? Last year, there were 19,125; this year, according to the figures in the budget, 15,200. What are the reasons for that reduction?

MR. SPEAKER: We're getting back into the Budget Address and debate. But in view of the nature of the question, I think it would be less than fair if the minister were not given an opportunity to answer.

MR. NOTLEY: Mr. Speaker, on a point of order. Could I just raise one additional point on this issue? The question does deal with the budget; however, it deals with the budget of a Crown agency that gets most of its financing from the Alberta Heritage Savings Trust Fund. We will not be dealing with those estimates until the fall, and hon. members will know that one of the recommendations of the Auditor General was that on an initial basis, we should look at the review of funds going into Crown agencies from the heritage trust fund. The point I want to leave with you, sir, so public questions can be properly addressed during the question period, is that where agencies are getting their funding from the Heritage Savings Trust Fund, we really don't have the opportunity to deal with those questions in the budget debate.

MR. SPEAKER: That may very well be so. But as I understand it, the numbers the hon. Member for Spirit River-Fairview just quoted came from the Budget Address, or information related to the budget. It would seem to me that those numbers would be discussed as fully as members wish to discuss them when the estimates for the hon. minister's department come up before the Committee of Supply. As I said a moment ago, however, in view of the nature of the question it would be less than fair if the hon. minister didn't have an opportunity to say at least something about it now, even though it may be dealt with properly when his estimates are before the committee.

MR. CHAMBERS: Mr. Speaker, when my estimates come up, I'll be happy to get into the detail of individual programs. The fact is that the budget for the Home Mortgage Corporation is essentially the same as set last year. We did add supplementary funding of \$200 million in the fall, because of observed demand at that time. When we get into my estimates, I'll be happy to go into details. For example, the farm home lending program was transferred to the Ag. Development Corporation, so it's not in the Home Mortgage Corporation. We've also significantly expanded the Alberta rental investment incentive program. We estimate that that program will take

up at least 4,000 units.

If you looked at our budget last year, in terms of total number of units produced, it was something in the order of 21,000. When we added the \$200 million in the fall, that became about 24,000. This year's budget will generate about 24,000, including the 4,000 units under the Alberta rental investment incentive program. So what the Member for Spirit River-Fairview is saying is not correct.

MR. NOTLEY: Mr. Speaker, a further supplementary question. I might just refer the hon. minister to page 103 of the Budget Address, because if the information is not correct he should perhaps contact the Provincial Treasurer.

MR. SPEAKER: We've had a question and an answer on this topic. If we're going to get further into budget debate, may I suggest that we don't.

MR. NOTLEY: I just wanted to make that point. If the minister is going to respond, I think he should know that the figures have been quoted directly from ...

MR. SPEAKER: Order please. The member and the hon. minister have each had one go at it. Now let's get back to the purpose of the question period.

MR. NOTLEY: Mr. Speaker, I'd like to direct a further supplementary question to the hon. minister. In light of the reduction in the total number of units, what consideration was given by the Department of Housing and Public Works ...

MR. SPEAKER: Order please. Right back on the same point: we're debating the budget. The hon. member prefaced his question with a debating contradiction of what the hon. minister said. I don't know whether there's an increase or a reduction in the number of units. The hon. member implied there was a reduction; the minister said there wasn't. Now the hon. member wants another shot at the same target, by repeating that there's a reduction. This is debate. Let's put it where it belongs, in the Committee of Supply. It can be dealt with fully there.

MR. NOTLEY: Mr. Speaker, on a point of order. I think one could rule that almost any public question at this stage could come up under the budget. We have a number of important issues. It seems to me that if those issues are relevant, they should come up in the question period.

The specific question I want to put to the minister on this issue is: in determining his proposals for the Provincial Treasurer, did the minister consider the impact on the slumping lumber industry of reducing the number of houses financed through the Home Mortgage Corporation?

MR. CHAMBERS: Again, Mr. Speaker, I'll be happy to get into detail during the course of my estimates. What the Member for Spirit River-Fairview is saying is of course incorrect. It's just blatantly incorrect. I think I have the opportunity to respond that way, since he keeps making that sort of statement.

Obviously most of the lumber used in the construction of housing in Alberta is, by a huge margin, Alberta lumber products. So obviously that's a major factor, insofar as being a consumer of the product from Alberta sawmills is concerned.

MR. NOTLEY: A supplementary question to the minister. I refer the minister, and anyone else who wants to read it, to page 103 ...

MR. SPEAKER: Order please. Let's not get into a rebuttal and surrebuttal, rejoinders and surrejoinders, and all that sort of thing.

MR. NOTLEY: Mr. Speaker, on a point of order. If a minister is going to say in answering a question that someone is blatantly incorrect, that's inciting debate. [interjections] Mr. Speaker, it seems to me that, quite correctly, over and over again when opposition members incite debate, you very frequently say: look, to be fair, we have to allow the minister to respond. Well, if ministers are going to incite debate in answers, [interjections] we have the right to respond, particularly when the facts are listed in the budget and the minister is wrong.

The question I put to the minister is: under the family home purchase program, why is there a reduction in the number of units from 9,050 to 8,000 this year?

MR. CHAMBERS: Mr. Speaker, since we're going to prolong this argument, if the member will refer to the budget we had roughly one year ago, the units are the same. In the fall, we added \$200 million and another 3,100 units, because the demand happened to occur last year, and we felt it was needed last fall. At this time, given the general state of the economy in North America and reduced in-migration to Alberta, it's my estimate that this budget, which I said is larger in terms of units than the equivalent budget of last year — we're forecasting something in the order of 24,000 units versus 21,000 units about a year ago — will result in meeting demand and in an increased, improved vacancy rate situation in rental units in Alberta as well.

Rental Accommodations

MR. SINDLINGER: A supplementary please, Mr. Speaker, with regard to the last response dealing with demand. Have any assessments been done of the impact the contemplated programs will have on the vacancy rates in Edmonton and Calgary?

MR. CHAMBERS: Mr. Speaker, there's no question that the tremendous input of capital investment from the heritage fund, through the Home Mortgage Corporation and the Housing Corporation, has been a major factor in keeping a fairly adequate supply of rental units. In fact, it's my current information that the vacancy rate situation has recently improved somewhat in both Edmonton and Calgary.

MR. SINDLINGER: A supplementary please, Mr. Speaker, to the Minister of Consumer and Corporate Affairs, in regard to the vacancy rates in Edmonton and Calgary. Has any determination been made with regard to the reimplementation of rental controls in either of those cities, bearing in mind the increase in the vacancy rate, as per the assessment by the government?

MR. KOZIAK: Mr. Speaker, responding specifically to the question of rent controls, I don't know whether the hon. member participated in the debate on the Speech from the Throne, but ...

DR. BUCK: He didn't get an opportunity. [interjections]

MR. KOZIAK: Mr. Speaker, next year I guess we'll have to send out a gold-embossed invitation.

DR. BUCK: Just tell your puppets about it.

MR. SPEAKER: Order please.

MR. KOZIAK: Very shy, these opposition members, to stand up and participate in debate.

The point I want to raise is that, as the Speech from the Throne indicates, there are units in the province that are rent controlled. Many of the units that will be produced through the investment of the Alberta Heritage Savings Trust Fund, under the core housing incentive program, are rent controlled. That's the approach we're taking, developing rent-controlled units that are made available to tenants in need of that nature of rent, rather than a blanket control of all rents, including luxury high-rise apartments.

MR. SINDLINGER: A final supplementary please, Mr. Speaker, to the Minister of Consumer and Corporate Affairs. I will look forward to getting my gold-embossed invitation to speak next time around.

From time to time, references have been made to monitoring the rental situation in Calgary and Edmonton. Are any recent monitoring studies available to the Legislative Assembly, so we may determine the situation in regard to the need for rent controls?

MR. KOZIAK: Mr. Speaker, I do not have any recent information with respect to the vacancy rates in either Edmonton or Calgary, beyond what was available for the month of October 1981. We will be getting more current information for the month of April within the next number of months.

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

MR. SPEAKER: I apologize for interrupting the hon. Member for Spirit River-Fairview, but in view of the remark made a moment ago, I think a note of explanation may be in order. I believe I heard it said somewhere on the floor of the House that someone didn't have an opportunity to enter the debate on the motion for the address in reply to the Speech from the Throne. I should like to make it clear that, from this Chair, I don't put questions to a vote as long as there is another member ready to debate the question. In fact, on the occasion of putting the vote on the motion for the address in reply, I hesitated rather longer than I usually do, and at that time specifically said to the Assembly: if there isn't anyone else who wishes to debate, I have no choice but to put the question.

So I would like to correct any wrong impression there might be that I, or anyone in this Assembly, might have been a party to depriving another member of an opportunity to speak.

DR. BUCK: On a point of order, Mr. Speaker. You are being oversensitive. The government cut off the debate, not you. [interjections]

MR. SPEAKER: It's not for me to answer that kind of remark. There may be others. But the fact of the matter is that whoever was in the House at that time and wanted to

get up to speak would have had the opportunity. There was no motion of . . .

DR. BUCK: The puppets didn't have it organized.

MR. SPEAKER: Order please. There was no motion of closure before the House.

MR. R. SPEAKER: Sixty-five over there sat quietly.

MR. SINDLINGER: Mr. Speaker, since it's my name that's been associated with the remark, I wish to make it clear for the record that I did have the opportunity to speak at the time, and did not take advantage of it. [interjections]

MR. NOTLEY: Besides, the speech wasn't worth commenting on. [laughter]

I'd like to direct this question to the hon. Minister of Housing and Public Works. We have the hon. Minister of Consumer and Corporate Affairs telling the House that he hasn't seen monitoring reports on rental accommodations since last October. In view of his comment to an earlier question, indicating that the rental accommodation is easing somewhat, could the Minister of Housing and Public Works specify on what basis the government has reached that conclusion, and table in the House whatever the minister has in his possession to make that statement?

MR. CHAMBERS: Mr. Speaker, certainly I'd be happy to table such information at such time as it arrives. I think the Canada Mortgage and Housing Corporation produces figures in October and April, and the department surveys in the summer. I suppose one can make extrapolations in between. At such time as that information is available, which shouldn't be too long — in April, I guess — I'd be happy to do that. I'm given a general impression. In fact, a number of members here have mentioned to me that they see an easing in the vacancy rate situation in Calgary, and I think similarly in Edmonton. That creates an optimistic note.

MR. R. SPEAKER: A supplementary question to the hon. minister, with regard to studies or assessments on the general rent increases in the major cities of Alberta. Has the government any current studies and assessments on that kind of subject?

MR. CHAMBERS: Mr. Speaker, that question would be more appropriately referred to my colleague the Minister of Consumer and Corporate Affairs.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is then to the Minister of Consumer and Corporate Affairs. Has the minister current studies on average rent levels in the major cities of Edmonton and Calgary, even though the government has not any studies or up-to-date information on vacancy rates?

MR. KOZIAK: Mr. Speaker, I could share with the hon. member information that's of public knowledge, again information obtained by a federal agency, central Mortgage and Housing Corporation, that showed increases in the city of Edmonton during the period April to October 1981. The understanding I have with respect to the units surveyed, which involve units built after December 31, 1975, is that on average the increase was 4.7 per cent for

bachelor units, 5.4 per cent for one-bedroom units, 9.5 per cent for two-bedroom units, and 7.5 per cent for three-bedroom units.

I don't have corresponding information for the city of Calgary, because none was available from that same source. However, the differences in the cost-of-living figures in housing for the two major cities in the province would indicate that during 1981 the increases would be somewhat higher in Calgary than in the city of Edmonton.

[Two members rose]

MR. SPEAKER: The hon. Member for Edmonton Whitemud was trying to catch my eye several times. I think the hon. Member for Calgary Buffalo has pursued the topic, at least for a little bit.

MR. KNAAK: Mr. Speaker, a supplementary question to the Minister of Housing and Public Works. It indirectly relates to the issue of rent control. Is the minister aware of any studies that relate the increase in rents to the increase in new construction costs for the units? If so, can the minister identify the relationship between the increase in constructions costs and the increase in rents?

MR. CHAMBERS: Mr. Speaker, I don't have written data, if you like, on that. In terms of economic rent, one might suggest that a two-bedroom apartment rental might be something in the order of \$700 to \$750 a month. As far as I know, market rents are appreciably lower than that.

MR. KNAAK: Mr. Speaker, perhaps the minister has answered the question. But to clarify, is the minister aware whether or not excess profits are now being made on newly constructed units?

MR. CHAMBERS: Mr. Speaker, about all I can say to that is that if it were possible to make even modest profits on new construction, a lot more people would be lined up to do it, without requiring programs such as MURBs, rental investment incentive programs, and so forth.

MR. SPEAKER: Might this be the final supplementary on this topic.

MR. SINDLINGER: Mr. Speaker, I ask the Minister of Consumer and Corporate Affairs if the government would give consideration to immediately commissioning a survey of rental increases in the city of Calgary. The reason I ask is that in 1982, I have received more complaints from people renting units in Calgary than I have over the previous years as a Member of the Legislative Assembly.

DR. BUCK: Mr. Speaker, . . .

MR. SINDLINGER: Excuse me, Mr. Speaker, perhaps I didn't pose that question correctly, because I wish to get a response from the minister on it.

MR. KOZIAK: Mr. Speaker, I recognized the submission for what it was.

DR. BUCK: Mr. Speaker, my question deals with the "people's western airlines" — that has a nice socialistic twang to it. But in light of the fact that the Minister of

Transportation is not here, I will hold my question. [interjections]

Petroleum Industry Incentives

MR. KESLER: Mr. Speaker, I think it would be unfair not to allow the hon. Minister of Energy and Natural Resources to stand and stretch his legs today. The question is indirectly related to the budget, as I think there is nothing that will change the problems of the oil industry. What changes, if any, are being considered to stimulate the primary or conventional oil sector of Alberta, comprised mainly of Alberta-based junior oil companies?

MR. LEITCH: Mr. Speaker, as I've indicated on a number of occasions, and as was indicated last night in my colleague's budget speech, we are reviewing the situation. We are certainly reviewing our royalty system and our various incentive programs that have worked so well in Alberta over the recent years. That review is nearing completion. When it is completed, we will be announcing the results and proposed changes.

MR. KESLER: A supplementary question, Mr. Speaker. Is the hon. minister considering reclassification of new oil, and perhaps putting that classification of new oil back to the year 1976?

MR. LEITCH: Mr. Speaker, I suspect the hon. member is thinking of 1974, as opposed to 1976. Dating to 1974, we do have a new oil classification which is tied to the royalty rate, because there is a lower royalty for oil discovered subsequent to 1974. Of course, there is an additional category of new oil, but that doesn't deal with the royalty rate; rather it deals with the price received for it. Oil that was discovered subsequent to January 1, 1981, received the international price on January 1, 1982.

If I interpret the hon. member's question accurately, it would be: are we considering providing the international price for that oil which now attracts a lower royalty rate? Mr. Speaker, that wouldn't be a change we have under serious consideration at the moment.

MR. KESLER: Mr. Speaker, to the hon. minister. In the budget, I noticed that \$460 million has been allocated to the Alberta petroleum incentives program. Would the hon. minister indicate whether those funds would be more efficiently utilized if they were left in the hands of the private sector, rather than being taken into the system and doled out?

MR. SPEAKER: Certainly the hon. minister ought to have an opportunity to reply. I suppose some eyebrows may be going up among members, because we're now getting back into budget debate. But other hon. members having enjoyed a quota which wasn't theirs, it would seem unfair not to allow a little latitude in the same direction to the hon. Member for Olds-Didsbury and, of course, to the minister.

MR. LEITCH: Mr. Speaker, I look forward to the debate in the Assembly on these various issues at the appropriate time. But I think I should make this response, perhaps to add further to the answer I gave earlier. The price is a matter that is not fixed by the provincial government, at least for those natural resources that move in interprovincial and international trade.

The program to which the hon. member's last question related was a federal program. It was our view that we should take the administration and the payment of that program, which is the petroleum incentives program, and do it in Alberta. We've had a number of years of long and very successful co-operation between the Alberta government and the petroleum industry, and we wanted to administer that program here, rather than have it administered in Alberta by a large number of federal bureaucrats.

SOME HON. MEMBERS: Agreed.

MRS. CRIPPS: Mr. Speaker, a supplementary with respect to this program in Alberta. Can these payments be made at an earlier date than they would if they had been administered by the federal counterpart? [interjections]

MR. LEITCH: I can say with confidence, yes.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

5. Moved by Mr. Crawford:

Be it resolved that the Assembly do resolve itself into committee when called to consider the supply to be granted to Her Majesty.

[Motion carried]

6. Moved by Mr. Hyndman:

Be it resolved that the messages of His Honour the Honourable the Lieutenant-Governor, the estimates, and all matters connected therewith, be referred to the Committee of Supply.

[Motion carried]

7. Moved by Mr. Crawford:

Be it resolved that the report of the special committee appointed March 4, 1982, under Standing Order 46, be received and concurred in, and that the committees recommended therein be hereby appointed.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

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

Department of Agriculture

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

MR. SCHMIDT: Mr. Chairman, I would like to take this opportunity for a few opening remarks and, for a short period, go over the 1981 production year, for two basic reasons. First of all 1981, a banner year, established a record for the province of Alberta in the production of wheat, oats, and barley and, for the first time in our

history, exceeded 15 million tonnes. It was unfortunate that the increase in production wasn't followed by a standard or a recognition of an increase in the market itself. The end of 1981 found the income to our producers in this province, although up because of sheer numbers, certainly limited because of the market itself.

Being a record year for production, 1981 gave the province a varying moisture content from the south to the north. In 1981 we found perhaps more moisture in those areas which are normally dry. The north and Peace areas, which normally have sufficient moisture year after year and, in some cases, too much at certain parts of the production year, found themselves dry in particular spots. It was an interesting year, because even in those areas that experienced some form of drought, the pattern was erratic. The crops benefited, or no benefit, from as little as showers and, of course, this was related to the production itself during harvest.

A mixed move was seen in the livestock industry in 1981. It brought to the end of the low cyclic nature for the hog industry, the close of the stop-loss program and the start of the hog assurance program, and a slight climb in the market itself, but with some stability toward 1981 because of the program. During 1980, the livestock and beef industries had suffered from the bottom of the cyclic nature in the fat-cattle industry, and 1981 saw a continuation of low prices and returns to fat-cattle marketers. It was joined by a decrease in prices, which affected the cow-calf operator and eventually led to the combined resource of both producers and government, in coming forward with a once-in-a-lifetime program for the beef industry, which included the sheep industry that experienced a similar type of market.

From the Department of Agriculture point of view, 1981 lent itself more to a servicing industry, support as a department to the farming community throughout the province and to the communities themselves. It also gave the Department of Agriculture the opportunity to host all the other ministers of agriculture and some of their departmental people. It was certainly with a great degree of pride that I, with some of my colleagues, had the opportunity to show off the province on a bus trip from Lethbridge to Edmonton, then north.

One would certainly have to be deeply involved and familiar with agriculture to have the opportunity to assess the cleanliness of the crops, the stand itself, the cleanliness of road allowances, and the absence of weeds. In fact, with that degree of pride, one could say that producers in this province had achieved and will continue to achieve both quality and quantity in their efforts.

Also '81 saw the move toward more agricultural research, that was started some time ago and has been fostered by Farming for the Future. It has produced some results in some areas of applied research, recognizing that in a normal way research lends itself more to the longer term. Some of the benefits that are accruing are rather immediate and short term, recognizing that in some cases the financing is bringing to a close research that had been started some time down the road.

As one of the basic services and challenges of the department, 1981 saw a strengthening and continuation in the area of marketing, recognizing that markets have to be one of the keys if we are to be successful in the industry within this province and that we're part of the larger marketing system. Efforts were made to step up the support to producers, both individually and collectively: the opportunity to display their wares throughout many parts of the world; opportunities to share with commod-

ity groups in bringing prospective buyers to Canada and to the province; working hand in hand with the Department of Economic Development and the Minister of State to show, on behalf of Alberta producers, through various shows and displays, both the quality and availability of quantity that Alberta agriculture is known for throughout the world.

As we face the estimates for this coming year, Mr. Chairman, I think the role of the Department of Agriculture will again be to take the area of marketing and transportation as the number one priority for the majority of its efforts, and to continue upgrading the area of servicing. When one looks at the estimates, it would appear that that has not been followed with the dollars through the budget and the estimates. It shows that over last year the Department of Agriculture had a decrease of some 40 per cent in its allocation of funds and responsibilities. One would have to clarify that, because in all true sense of the word it has increased by over 40 per cent. The figure of \$133 million established for the cattle and sheep support program, coupled with \$10 million for the last of the stop-loss hog program and a \$7 million involvement in the hog assurance program — if those funds are taken out because they were of a one-shot nature, then the department shows a fairly hefty increase of just over 40 per cent in its support to the producers in this province.

Mr. Chairman, with those few remarks, I look forward to the opportunity of answering hon. members' questions in regard to all and any phases of the Department of Agriculture.

Just before I close, I would like to add how pleased we are with the interest that's been shown by many of our younger people in getting well established in the agricultural industry. We have now passed the 2,000 mark of beginning farmers. Of course that number has brought down the average age of farmers in the province. We're pleased with that approach and the successes that have been achieved in that area.

MR. NOTLEY: Mr. Chairman, I'd like to make a few opening remarks. I want to apologize in advance to the minister. I have to slip away in a few minutes. But judging by past committee studies, the Minister of Agriculture has always been able to engender enough people making general opening summaries that I have no doubt that Monday or Tuesday of next week, I'll still be able to read *Hansard* and put to the minister specific questions on some of the items I've raised.

Mr. Chairman, this spring as I travelled around my constituency and met with both farm organizations that have a large number of members in the north Peace as well as people who belong to the Christian Farmers Federation, I found a number of concerns. I think it would be appropriate if I shared those concerns with members of the committee in addressing the estimates of the Department of Agriculture.

Certainly we have a farm fuel rebate program. There's no doubt about that. But farmers are well aware of the price increases that will occur as a result of the energy agreement between Alberta and Ottawa. Every few months, we're going to see substantial increases in the price of farm fuel, unless we do something to expand the shielding of energy costs. Mr. Chairman, while I think it would be better if we had a national program to shield energy costs for farmers, in the absence of a program as part of the national energy accord between the two producing provinces — I guess I should say three, be-

cause B.C. has also signed an agreement with the federal government — the minister is going to have to look at recommending to his colleagues additional assistance on energy prices.

Similarly — and I don't want to get into this in a detailed way now but when the estimates of the Minister of Utilities and Telephones come before the House — wherever I went in the constituency and wherever I travelled in northern Alberta, I had a huge number of complaints about higher power rates. Notwithstanding the Act passed by this House last fall and the new commission, which is presumably getting off the ground at some time, there is widespread concern about utility rates in rural Alberta.

Mr. Chairman, apart from energy costs and power rates, I'd like to concentrate this morning on three areas. One is transportation of farm commodities and the whole Crow rate issue. The second is the issue of farm credit, interest rates, and the role of the Agricultural Development Corporation. The third is whether we should be looking at expanded stabilization programs. I say expanded because, through the hog program, we now have some in place. But as far as cattle are concerned, we had a one-shot program compared to ongoing programs in other parts of the country.

Mr. Chairman, dealing with the issue of transportation first, before I start talking about the Crow rate *per se*, I would like to say to the minister that regardless of where this government stands on the Crow rate, we're going to have to take a very close look at making some rail connections. Quite apart from the battle over the Crow now taking place in rural western Canada, the improvement of the transportation system is going to require upgrading.

In his July 21, 1980, discussions with Prime Minister Trudeau, the Premier made proposals for double tracking and improvement of the line to British Columbia. As well, I would say to the minister — and I am going to go into this in a little more detail when we get to the Minister of Economic Development and the Minister of Transportation — that in the Peace River country it is time to look at the heritage trust fund committee reports of 1978, 1979, and 1980, which are a serious effort at making links with the BCR. With energy costs going up, in my judgment we cannot allow an arrangement to continue indefinitely where we have grain hauled through Edmonton and then out on the CN main line, when we could reduce the number of miles. The figures compiled by the minister's own regional department in Fairview show that between Hines Creek and Prince Rupert, we would save 491 miles one way. That's almost 1,000 miles there and back. Mr. Chairman, regardless of whether you are for or against the Crow, the question of that kind of connection, so that we can reduce turnabout time, is pretty crucial.

I don't think there's much point in saying the railroad should build it, because the railroads aren't going to build it. There is no way that the CN will build the rail links, because they are already getting the grain, using their present system. It doesn't make any sense when they have just acquired ownership of Northern Alberta Railways. There is just no economic reason for them to build the rail links. However, the rail links would serve northwestern Alberta and northeastern British Columbia. Mr. Chairman, I suggest that that is one kind of investment from the Heritage Savings Trust Fund. Now that we've put money into Prince Rupert, we should be looking at backing up the entire system. Part of that in the northern

area of this province is the rail links between Spirit River and Dawson Creek, Fairview and Fort St. John, and some kind of link between the line on the north side of the river and the south.

Mr. Chairman, I want to move from there to talk about the Crow rate for just a moment. As I've looked over the statistical information compiled, what really has me concerned is this question of what a compensatory rate is. The railroads say that they have to have a compensatory rate in order to modernize the system, and if they don't have that rate, added capital won't be invested in the system; they won't modernize the system, and grain won't be hauled. That's a reasonable enough argument, but one has to look at the basis of that argument. As I examine the Snavelly report, I find that after taxation, the railroads want a return on equity of 25.4 per cent. Mr. Chairman, there isn't a farmer in this country who could look forward to an after-tax return of 25.4 per cent. Certainly our utilities — Calgary Power, now TransAlta, or the Alberta Power operation — are set up on the basis of a guaranteed rate of return of 15 per cent. We now have the railroads saying that to compute a compensatory rate, they want a 25.4 per cent guaranteed rate of return. That's fair enough to ask, if you can get it. But it doesn't mean that we as western Canadians should jump on board the Pepin plan, which is based on the Snavelly recommendations which take into account this 25.4 per cent guaranteed rate of return.

Mr. Chairman, I would say that the most extensive and thorough evaluation of the entire western transportation system — it didn't please everyone, but it was a thoughtful effort — was the Hall royal commission on grain handling and western transportation. Mr. Justice Hall made the argument that the Crow should stay, but the difference between what was a reasonable compensatory rate and the Crow should be paid by the government to the railroads in some form, either an operating subsidy or a capital acquisition, or what have you.

Mr. Chairman, I say to members of the committee that we have been doing this, in part, over the last few years. What other can one explain as the difference between the gap — the efforts of both this government in Alberta and the government of Saskatchewan, the farmers themselves through the Wheat Board, and the government of Canada — in acquiring all these hopper cars? The railroads are not investing money, and haven't invested money for years, on improving rolling stock. The public sector has been picking up this cost. There is nothing terribly wrong with that. We in the House supported that sort of commitment. As I recall, every member voted in favor of the hopper car acquisition. Every member in Saskatchewan voted in favor of the hopper car acquisition in that province. That sort of thing will essentially allow us to meet the proposal Mr. Justice Hall laid out in his very comprehensive report.

Mr. Chairman, what troubles me about the Pepin proposal, which is now before western Canadians, is that we have figures that I think all of us should take the time to sharpen our pencils and look at very closely. This simple business of saying, yes, we will give them a compensatory rate, seems so correct at first glance. But it all depends on how you compute a compensatory rate. As I see the evidence, the railroads are computing a compensatory rate which is going to be happy days again for them at the expense of western agriculture. I say that 25.4 per cent is completely unreasonable.

I make no apology for the fact that as far as I can see, the government of Alberta should oppose the Pepin plan.

We should support the report of Mr. Justice Hall, and ask the government of Canada to reassess its position on grain transportation, using Mr. Justice Hall's landmark report as a basis for action by the federal government.

Mr. Chairman, I want to deal briefly with two other issues. One is the question of interest rates. The minister has pointed out that some 2,000 young farmers have come under the beginning farmer program. It is basically a very good program; I don't think there is any doubt about that. The interest rebate system is quite a useful innovation that has been in place for a number of years. The problem I see is that credit requirements of Alberta farmers now go beyond the beginning farmers who qualify under the beginning farmer program. As high interest rates continue, it seems to me that we are going to find an increasing demand for credit beyond the present boundaries, if you like, of ADC programs. I would like to see that substantially expanded. I realize that we put considerably more money into the ADC than was originally envisaged in 1972. But the credit requirements of Alberta agriculture are much, much greater than in 1972. One problem with the uncertainties in the cattle market and in the international grains market is that if we guarantee locking our farmer into interest rates from the chartered banks, we are going to be giving a lot of them a one-road ticket to bankruptcy. So I think a substantial increase in the ADC.

Personally, I have some doubts as to whether we wouldn't be better off recasting our whole approach to loaning from the heritage trust fund and using the line departments of government for the kind of counselling service which ADC is presently providing. In my judgment, the AOC people are duplicating some of the work that's already done by the Department of Tourism and Small Business. I think there could be a consolidation of some of the counselling services, and we could do our loaning directly through the treasury branch. That would be a simpler system. Nevertheless, in my judgment, the bottom line is making substantially more money available at reasonable interest rates, not just for the beginning farmer program, which I acknowledge is useful, but for other farmers who need operating capital.

Mr. Chairman, the final point I would leave — and I know not all members of the committee are going to agree with me; but I'm used to that, so don't particularly worry too much about it — is the question of how we tackle stabilization. Last fall, when the government came through with the \$133 million one-shot program for cattle producers, I know the representation they received from at least some producers — I'm not sure all producers took this view, but many producers — was, we just want a one-shot program. It seems to me that we're going to have to look at the grim reality that Alberta farmers are in a country where almost every other province has moved to some form of long-term stabilization.

Last Friday, I had an opportunity to meet with the Saskatchewan Minister of Agriculture. As you know, as of January 1 Saskatchewan brought in a beef stabilization program. They don't have as many beef producers as we do; their cattle numbers are not as great. So perhaps it's an easier program to manage because of the smaller numbers of farmers. The interesting thing he told me was that when the plan was initially proposed, many of the larger cattlemen were 100 per cent opposed to it. But after the thing was announced and set up, one of the very first people to enrol — it was a completely voluntary program, I should point out — was one of the top people in the cattlemen's association. Most of the top cattlemen

in the province have voluntarily enrolled in the stabilization program.

Mr. Chairman, we're going to have to look at this, whether or not we like it. If you have stabilization in Saskatchewan, British Columbia, Ontario, and Quebec, and likely the government of Manitoba is moving in that direction, how long can individual farmers and beef producers in this province stay on their own without some kind of stabilization program in place? I think the time is coming when we have to cross that bridge in this province too.

If we don't, some of the larger operators will be able to withstand the valleys, so when the prices go up they're able to make their money in the peaks. The thing that troubles me is that the younger farmers just getting started, a lot of the northern beef producers, always get caught in the valleys. It's fine if you've got 10,000 acres in southern Alberta — and much of it, I might say, is relatively low-cost, leased land — and you're competing with somebody who has to buy a section of relatively high cost land in the Peace, except that young fellow in the Peace gets caught in the valley and the big fellow in the south is able to enjoy the peak. We have to look at this. Unless we have some form of stabilization program, we're not going to maintain large numbers of younger people in the cattle business, nor will we develop as much as we should the potential for cattle expansion in the northern regions of the province.

I just want to make one other comment, Mr. Chairman. I do not always agree with Dr. Horner. I think his report, tabled a few months ago, contained a number of excellent provisions, which involve not only the Department of Agriculture but the Associate Minister of Public Lands and Wildlife. We should be expanding substantially our agricultural potential in northern Alberta. We have a lot of arable land that could be brought into production throughout the north.

With land prices so high at the moment — prices around our major cities are totally prohibitive for a person actually borrowing money from the ADC, even under the 6 per cent interest rebate program. Even through ADC, if you have to go out and pay \$2,000 or \$3,000 an acre to buy land, you have to be awfully darn lucky. If you pay that much for your land in the first place, you have to have good luck, good crops, good management, and all kinds of things coming together in order to survive.

It seems to me that a public land policy, as Dr. Horner envisaged, is going to be one way in which we can provide opportunities for younger people to get into agriculture; if you like, a new pioneer program. But why not? One of the exciting aspects of this province is that this is the only place in North America where we have literally millions of acres of arable land left to open up. It seems to me that that's an exciting challenge which, regardless of our political vantage point, is one area where I'd like to see the government take the initiative. If they did, I think they'd find wide support from northern Albertans especially, irrespective of their political point of view.

MR. MANDEVILLE: Mr. Chairman, just a few remarks on the estimates of the Department of Agriculture. I certainly agree with the opening remarks of the minister that 1981 was a good year for agriculture in general. One of the reasons was that the high production we had in 1981 kept our dollars up as far as agriculture was concerned. One would have to agree that the cattle industry suffered quite severely in 1981. I'm sure the industry

appreciated very much the \$133 million that was put into the cattle industry in 1981.

Mr. Chairman, my prophecy for 1982 is that the agricultural economy is going to suffer drastically in many areas. I can see that interest rates today are one of the big drawbacks that's really hurting agriculture. Another is the agreement made on September 7 between the provincial and federal governments. It's certainly going to be hard to handle as far as agriculture is concerned, because input costs are going to increase drastically from time to time.

Looking at the first page of Agriculture, I would like to say to the minister that I think it's a tremendous step in the right direction. I hope some of the other ministers will take a good look at what has happened in the Department of Agriculture. Departmental support services is reduced by 53 per cent. I know there's a reason for that. I certainly agree with that philosophy. It's an excellent philosophy to start cutting back on some of the administration, regulations, and so on as far as Agriculture is concerned.

Another area I have to agree with is production assistance, cut back by 78 per cent. Maybe that is a pretty drastic cutback, but I know the minister will have an explanation in that area. It's not production that causes a problem in the province of Alberta; it's marketing. We have a small increase in marketing assistance; possibly we should have a better increase. The step in the budget where they're putting money into advertising beef is a step in the right direction.

[Mr. Purdy in the Chair]

We have to take a really good look at interest rates, especially in the agricultural field. Many farmers come into my office in Brooks, and they're concerned that they have debt loads they can't service. They bought land years ago on a floating interest rate at, say, 9 per cent. Now they're paying as high as 20 per cent, and they're just not able to make their payments. These are the areas we've got to look at. Hopefully the addition of the money — an 88 per cent increase in the Agricultural Development Corporation; it's almost double the amount of money that's going into the fund itself. I'm hopeful that the minister will take a really good look at some of these farmers who have guaranteed loans and are facing financial problems at the present time.

The beginning farmers program is certainly working very well throughout the province, but it has created a load with our loans officers. In my constituency, the loans officer can't even take a telephone call. It has to be by appointment. He's that busy that he can't take care of the load on loans officers in the local area. I certainly hope the minister will take a look at providing more help in the area of processing and streamlining these loans.

Mr. Chairman, last year I suggested that one possible method of streamlining is to leave more authority with the local loans officers. We've had the program in effect for a number of years. Some of these loans officers have been in place for a long while. I think they could process these applications at a local level. All the loan programs are now processed through a local level, then they go to a regional level, and then to the head office in Camrose. Sometimes they get the loans through in fast order. But when they have a backlog, it still takes a long time to process. I certainly think some restructuring of ADC loan administration would be much appreciated, especially at the local level.

As I said, Mr. Chairman, the cattle subsidy program

was well received by the cattle industry in the province. It certainly helped them to improve some of the disaster they had in 1980-81, to relieve some of their losses. It's going to help some of our smaller cattle producers continue in the industry.

One of the problems in the cattle industry is that we're getting bigger operations all the time, and we're losing our small operators. This is not good for the industry. I think we have to retain the small producers in the cattle industry, and that's why it has such a serious effect. The cattle industry is in so few hands, and it's getting into fewer and fewer hands. The cattle and sheep subsidy did very well. I don't think we have to get into subsidy programs, but it seems that we're forced into them. Other provinces are coming up with subsidized programs, and we have to compete against them in Alberta. It makes it impossible to compete.

The Western Stock Growers had some opposition to the cattle subsidy, but I'm sure there's not much opposition in making applications to the department to get their subsidy. I'm sure everyone is making application to take advantage of the program. It has really worked out well for the sheep industry, because they were having a problem as well.

Some people just didn't qualify. They were one day too late, or they marketed their cattle at the wrong time. They got no relief at all as far as the subsidy program is concerned. Mr. Chairman, I don't have any answers, but I think they're now looking at some of the background programs, going back to 1979. I think it would be excellent for someone who didn't fit into the 1981 program to look at something like this. I know some amendments to the original announcement have helped in a lot of cases.

Surveying my own area, I don't know why our ranchers and cattle producers haven't gotten the applications in, but there are a number who haven't. At this point in time, I certainly wouldn't want the minister to make any announcement that he's going to extend the program any longer until we see what it looks like on March 31. But if they're not in on March 31, I'm hopeful the minister will take another look at extending this program from March 31 to make sure we don't miss anyone in the cattle industry as far applications are concerned.

One other topic I would very briefly like to go over, Mr. Chairman, is the Crow rate. It's been a topic of discussion for so many years, and it's important that we come to grips with it. Somebody has to make a decision; it has to be made. I've surveyed my own constituency, and I have support that we have to do something with the Crow rate. As it is, we're going to lose transportation of our grain. The rail companies aren't going to transport grain; they're going to leave it to the last. One farmer in my constituency grows several hundred thousand bushels of grain, so I thought he'd be a good farmer to get some input from. I said, what are your views on the Crow rate? He said: Fred, as far as I'm concerned, I know they're not going to transport our grain if they lose money; we know that's not going to happen; I'm losing interest on my grain, 6 or 7 cents a bushel a month; if I could market my grain, I'd be happy; I want to get my grain to market as soon as I possibly can.

I think the province has to take a position, and we have to have some changes in the Crow rate. Saskatchewan is working one way; Unifarm is one way. We can't get together. I think it's up to the province to come up with a decision and see that we have some changes in the Crow rate, so they'll move our grain in this province.

I really don't want to let the rail companies off the

hook, Mr. Chairman. I think they have an obligation. I can go down to my constituency, where most of Pan-Canadian is set up, and they own all the oil and gas in the Eastern Irrigation District block, which is 600,000 acres. I don't know how many billions of dollars they have from the revenue from oil and gas in the Eastern Irrigation District. When the Eastern Irrigation District took the land from the CPR, CPR gave them \$200,000 to operate the land, but they kept the mineral rights. If the group of farmers had negotiated for another two or three days, they would have got the mineral rights along with the land and we wouldn't be facing that position, because we have a big portion of the mineral rights in the Eastern Irrigation District that are owned by PanCanadian. However, again I say to the minister, let's come to grips with it. Let's get a position and do something about the Crow rates.

In closing I want say again that when we see departmental support staff decreased, I'm hopeful we'll be able to eliminate regulations, not only in the Department of Agriculture but in all departments. People are getting tired of being regulated to death; they want to do their own thing. As many regulations as we can eliminate, the better off we'll be in this province.

MR. KOWALSKI: I'd like to make a few preliminary remarks to the Minister of Agriculture with respect to the estimates contained in Alberta's 1982 budget. At the outset, I would like to say that I'm very pleased with the general direction of government with respect to agriculture for the upcoming fiscal year. The statement on page 15 of the budget speech points out that the government has twin goals for this upcoming year: one, to boost net farm income, and the other to strengthen the family farm. I think they are extremely commendable and will allow all of us to look forward to the next fiscal year in a very positive way.

As well, at the outset I would also like to extend my thanks to the Minister of Agriculture. I find him to be a very warm individual, a gentleman one can see and expect responses from and reactions to. On behalf of all my constituents, I simply want to say that in the last year he's had an open-door policy for the MLA from Barrhead, and that's been very much appreciated. We've been able to accomplish and accommodate a number of difficulties with a minimum of problems.

Mr. Chairman, in taking a look at the Budget Address and looking at some of the global directions we're going to be looking at in agriculture over the next fiscal year, it's kind of important to reiterate some that I think are rather important and need repetition. When we look at the total budget for Alberta Agriculture, beginning April 1 through to March 31, 1983, the first point that's rather apparent is that there is going to be an increase of some \$45 million, or some 36.7 per cent, in the total budget of Alberta Agriculture. That department's estimates will now go to something like \$168 million.

Hand in hand with the Department of Agriculture, of course, is the very important Agricultural Development Corporation. Over the past number of years, it has played a very important role in two phases of agricultural credit: one, the financing of new farmers and, two, the financing of agribusiness in the province of Alberta. I'm very, very pleased with the corporation's operating budget. The estimates for 1982-83 see it increased to \$58.7 million, some 124 per cent over the 1981-82 estimate of \$26.2 million. That's well over a doubling in one very important area of agricultural credit in the province. Needless to say, one

agency of the provincial government, the Agricultural Development Corporation, cannot accommodate all the demands for credit in the agricultural sector in this province. But I think the role ADC is playing is recognized as a very important, competitive agency to existing credit in this province. Surely many of us in this Assembly can recall the availability of credit to our very important renewable resource producers in 1971, when we had an existing situation in this province that did not allow farmers to go to any agency of the provincial government to assume credit of any kind.

It's interesting as well to look at the growth and importance of the Agricultural Development Corporation over the last number of years, and its total amount of financing provided by the Alberta government. As an example, in 1977-78 — and these statistics really come from Table E4, page 119 of the budget — it shows a composite dollar figure of \$9 million. In the following year, 1978-79, that figure was increased to \$29 million; in '79-80, to \$53 million; in 1980-81, to \$139 million; in the forecast for the last fiscal year, 1981-82, to some \$244 million; in the 1982-83 budget, to some \$275 million. When you take one program like this, and over six years move the amount of support and assistance from \$9 million to \$275 million, you're looking at well over a thirtyfold increase, an increase in the neighborhood of 3,000 per cent, certainly well above the conventional rate of inflation that one might have looked at over the last six years.

Mr. Chairman, right now I want to mention a number of programs in this particular document, because they are of importance to people in agriculture, not only in the constituency of Barrhead but in rural constituencies in all parts of Alberta. The beef cattle and sheep support program that was implemented November 30, 1981, dedicated to our hard-pressed beef and sheep producers in this province a total commitment of \$133.2 million in short-term assistance. That is an incredible number, a global figure of dollars.

I know that various members in the House had differing views on what kind of program might have been initiated, but the important point is that the Minister of Agriculture took the time to consult with the various players in the beef and sheep sector in this province. After a number of months of debate, but most important, of listening, a program was devised and designed. It would be of interest to me if an analysis could be done in April, May, June this year, to see exactly how many beef producers who were eligible to participate in this program did not, in fact, make an application to participate. I suspect we'd be looking at 0 per cent. I'm quite sure that 100 per cent of our beef producers in this province will be participating.

In some parts of Alberta, some were very critical about the program when it was announced. I would be willing to bet that all of them have become participants and have taken an opportunity to enrol in the program. I have no doubt at all that by midsummer, we'll be in a good position to receive information from the Minister of Agriculture with respect to the actual participation and the amount of assistance provided to each and every one of our cattle and sheep producers.

Mr. Chairman, last year was also interesting with respect to water and drought. I think the feed freight assistance program was very important. It's included in the budget again. Of course, it helped a number of producers in various parts of the province. The hay producers in the constituency of Barrhead were in a very excellent posi-

tion. On previous occasions, members of this Assembly have heard the MLA from Barrhead stand up and say, look, one of the problems in the constituency I represent is that we have too much water. In fact, if any MLA in this province would like to receive some of our water, we'd be very, very happy to give it to him. But in 1981, the availability of good rain and good sun allowed us to have a super, bumper crop of hay. Many of my constituents were able to assist their colleagues in other parts of Alberta by supplying them with high quality — in fact, probably the highest quality — hay in the province of Alberta. The feed freight assistance program certainly assisted in that regard.

Another sector in the livestock area that's extremely important in the rural area of the constituency of Barrhead is the emergency stop-loss program for hog producers, that was implemented at a very, very substantial cost of \$7,050,000. Not only was that program initiated to assist the short-term difficulties our hog producers were receiving, we also followed up — and I'm extremely proud that we followed up — with an outright grant of \$10 million to the Alberta Pork Producers' Marketing Board to establish a contributory, assured returns program.

I find it interesting that there are people in this province who believe that those types of programs are government interference. If they have the opportunity I had, along with a lot of my colleagues in this Assembly, to meet with hog producers in all parts of Alberta — they said, look, can you help us? This being a positive government, that believes in reacting to the needs of the people, it did react. My understanding is that today upwards of 40 per cent of the hog producers in the province of Alberta are enrolled in that program, and 40 per cent of hog producers really account for something like upwards of 78, 79, or 80 per cent of all the hogs produced in the province of Alberta.

The key thing about the emergency stop-loss program and the grant to set up the assured returns program was the fact that it was non-compulsory, voluntary, and done on a contributory basis. Very few producers in our province want a handout without any demand for responsibility on their part. They simply want an opportunity to participate in a program, and their government was there to help them enrol and participate.

The dairy industry is extremely important in the constituency of Barrhead. In fact, because of our high quality hay, we also produce high quality milk and butter. In the estimates for 1982-83, I'm pleased that the dairy herd improvement program is going to receive an additional shot in the arm. A lot of the milk that people in the fine city of Edmonton have on their doorstep or at their supermarket comes from hard-working producers who live in the constituency of Barrhead, who seldom take holidays and work at least twice a day 365 days of the year. We very much appreciate the minister's positive reaction to help our dairy farmers.

Rapeseed is another crop of considerable importance to the part of Alberta I represent. I'm very pleased that in the budget tabled last night, funding under the rapeseed crushing assistance program is going to be increased to some \$1.430 million in 1982-83. As well, financial assistance in the form of capital grants to nutritive processing businesses will be increased by a whopping 135.7 per cent, bringing the total estimate for the upcoming fiscal year to some \$6.6 million.

Nutritive processing is an interesting area, because in essence that's one area that takes a raw agricultural

product, enhances it, and then allows that new product to become competitive in the market. Of the over 200 agricultural businesses that have been created through one form of business assistance, agricultural advice, or financial assistance over the last decade in Alberta, many of those products have found new homes and markets outside our province, in our proud nation of Canada, in North America, or in the world market.

It was interesting for me to have an opportunity last fall to be on another agriculture-related activity that our government is heavily committed to, the whole review of surface rights in this province, and to visit a delicatessen in a city in northern Germany. On the shelf of that delicatessen I found eggs produced in Two Hills, Alberta. I don't know how many members of this Assembly have had the culinary opportunity to sample the flavor of a foot-long egg, but they are produced in this province by a very, very unique manufacturing processing formula invented by an Albertan who lives in Two Hills. I want to repeat that; a foot-long egg — that's the imperial system, not the metric system — an extremely important culinary delight produced in this province with assistance from Alberta Agriculture. I wish that that firm had located its business in the constituency of Barrhead, but that's of considerable benefit to the egg producers who reside in the Two Hills area.

To take and deliver our eggs to market — the foot-long egg; let's just focus on that for a second, Mr. Chairman — needs assistance from the province in the form of out-of-province promotion programs. The budget tabled last night sees an increase in program funding by some 48 per cent to assist Alberta producers to tour the world in hopes of finding new markets. Extremely important.

MR. COOK: On a point of information, is the hon. Member for Barrhead suggesting that the government is assisting a chicken to deliver a foot-long egg and, if so, what kind of assistance does that form?

MR. KOWALSKI: Mr. Chairman, I talked about foot-long eggs being a culinary delight, and I'm really disappointed in the Member for Edmonton Glengarry not being imaginative enough to know that a poor old chicken could not deliver a foot-long egg. It has to be manufactured, and I said that on several occasions. I welcome the Member for Edmonton Glengarry back into the Chamber. He obviously was out for a few minutes when I was starting my preliminary remarks.

Mr. Chairman, a large number of people in rural Alberta assist and participate on a local level in improving the quality of life in rural Alberta. Literally hundreds of people, men and women, serve on agricultural service boards and agricultural societies. Those agricultural service boards play a very important role, from weed control to assisting small erosion problems in their area. Those who participate in agricultural societies provide a recreation outlet; an opportunity for our rural land owners, our rural producers, to participate in agricultural fairs and compete with one another for livestock improvement and grain improvement. They hold competitions and the like. I think the budget is very, very positive and reflective in terms of our assistance and commitment to those two groups. I think all members should review them; they're rather substantial.

I talked about water in the constituency of Barrhead. Of course, in other parts of Alberta they don't have as much water as we have. In some parts of Alberta they seem to be inundated with a strange piece of ice called

hail, that periodically comes down from the heavens. One additional aspect we are involved in, in terms of research and response, is the weather modification program. Those little white balls that drop down from the heavens — I understand we've got a few airplanes seeding these clouds now and then, hoping to find an alternative to this hail. It's one of those programs that tends to be controversial as well. In this case, I understand, a fair degree of the wet clouds that come seem to emanate from the constituency of Drayton Valley. That may cause some problems from time to time as well. But it's a commitment that the province has courage in meeting; it's a program that the province believes is necessary.

Another program that I think is extremely important to the northern parts of the province that have acidic soils is the lime freight assistance program. In the estimates of the Minister of Agriculture for this upcoming year is an increase in funding in that area as well.

Alberta Terminals Ltd. will receive \$3.6 million in 1982-83 for the upgrading of its grain handling facilities in Edmonton, Calgary, and Lethbridge. That's a considerable increase over the basic estimate figure of \$2.5 million one year ago.

Mr. Chairman, when you look at the estimates associated with agriculture, a few more have to be mentioned as well. I'm pleased that the Farming for the Future program, essentially geared to agricultural research with literally hundreds of different types of programs, is again being expanded this year. Hopefully we will be able to come up with the necessary research projects that there is funding for. It is really rather remarkable in a province like Alberta, with the very tremendous brain power we have, that we have this money committed and well advertised, and in fact from time to time do not receive many applications to avail themselves of the opportunity to do agricultural research.

In the constituency I represent, a couple of very interesting research programs have improved very significantly protein production in land, particularly through forage crops. A number of cattle producers have, in essence, gone away from the basic, straight types of hay to more enriched types, and there seems to be a definite return in pound gate gain for the various animals they have.

The Prince Rupert grain terminal, of course, will receive considerable provincial support, and all members and all citizens of Alberta know that there are some 1,000 grain hopper cars now available for people in our province to ship their grain to market in.

Mr. Chairman, when you look over 1981, it was a rather positive year for agriculture on a global figure. There were some problems in a number of sectors. When we look at 1982, I guess it's probably safe to say that one is only guessing at this time what the total agricultural output in terms of dollars will be. I suppose it would be safe to say that the tremendous record levels in terms of dollar returns in the grain area last year may not be met. At least most analysts suggest that it may not be met in terms of the same dollar return total because of what appears to be a short-term surplus of some grains existing here in western Canada. Hopefully the difficulty that both the cattle and the hog sectors of agriculture have experienced over the last year can be corrected in the market place over the next year. In fact, it's extremely important that it occur.

I'm pleased as well that Alberta Agriculture, through the minister, had an opportunity to undertake a number of major reports in the past year. The Assembly will have to deal with those reports this year. I think the Horner

report, that's already been talked about, is very imaginative. It has a number of suggestions in it that all members will find very positive, and hopefully all members will see their way to supporting at least a number of them in the short term. Some of them certainly are for a longer period of time. I think the pioneer concept to open up some 10 million acres of land in northern Alberta is more for the long term than for the short term. One other report that I hope the Assembly will have an opportunity to debate thoroughly this spring is the report of the select committee on surface rights. I'll say nothing more about that at the moment. When we are given an opportunity to debate, I will participate in it with a considerable degree of interest.

Mr. Chairman, the last comment I want to make is that a little later I intend to get back into the debate on the estimates in Alberta Agriculture. I'm going to raise a number of questions with respect to a number of programs, providing what I think are some alternatives for improvement, but when the minister responds in his opening overview, just one question with respect to agricultural credit in total. I would like to receive clarification from him about the global needs for agricultural credit in the province of Alberta in the short term. I'm not sure whether the critical area is with respect to the operating nature or the capital nature of agricultural credit. One surely is of a short-term nature, and the other is of a longer term nature. My definition of short term would be approximately 18 to 24 months, and a longer term would be in the neighborhood of 10 years. I think that's one area all members of this Assembly have to spend some time considering. If in fact the big crisis in agriculture is the operating sector rather than the capital sector, I think this Assembly should be in a position to react positively to minimize some of the high input costs in some of those areas.

On that point, Mr. Chairman, I'll say thank you and get back into it a little later.

MR. BORSTAD: Mr. Chairman, I'd like to thank the minister for his openness, interest, and concern with agriculture. It's reflected in the budget before us this morning — a very positive budget as far as agriculture is concerned, when you look over the amount of programs put forward this year. I won't go over them, because they have been mentioned by other members of this Assembly. But when you start talking about 47 and 58 — that sort of percentage increase — it has to mean something.

I do have some concerns. Because of the dry year — in fact, the last two years in the Peace country — we appreciate the farm freight assistance program which was announced and all the hay that the Member for Barrhead has, because we're probably going to use some of it this year. The input costs of farmers across the province keep rising. I've brought it up before, and I'd like to mention it again. I believe the farm fuel allowance program should be changed to a percentage of cost rather than 12 cents a gallon. I would ask the minister to consider that over the months ahead.

Dry seasons have also taken their toll on beekeepers in the north. As you know, a good portion of the honey from this province comes from the north. The beekeepers have a problem this year because of two dry years and the alfalfa not flowering — those sorts of things. They also find that they do not qualify for ADC loans because they're not classified as a part of agriculture. That is a concern of the beekeepers, and I think it should be addressed. When I speak about beekeepers, I also think

there should be some sort of long-term assurance program which they could pay into, so that as government we don't necessarily have to come in to bail them out each time somebody has a problem.

I think that goes for the cattle people and the hog producers of the province, and all those products being produced. If we have some sort of assurance program that they pay a portion into, I believe it relieves the government. I hate to see handouts — you might call it handouts — every time somebody has a problem. If we had some sort of long-term program, I think we wouldn't be getting into those binds.

The Member for Bow Valley mentioned the loans officers for ADC and the regionalized authority. I can't agree more with that. If we could put more of our decision-making into the regional areas to limit the time on loan approvals, I believe that would be a great asset to all those in agriculture. When we talk about interest rates, that's a big concern for small business and agriculture. I think we should expand the loans through ADC and AOC, and possibly not necessarily look at them as lenders of last resort. It seems to me that if we're going to limit loans to other provinces, those loans could be directed to assisting Albertans.

The hog subsidy program and the cow-calf program are very much appreciated by those who can qualify for them, but I would mention again that I think some sort of long-term program should be developed for both those industries, so we are not always coming to government for assistance.

With that, Mr. Chairman, I think I'll sit down. I'll get back in later on some of the other estimates.

MR. CLARK: Mr. Chairman, I want to make just a few remarks. After my good friend from Barrhead got done, he pretty well went through the whole budget on Agriculture. I would also like to thank the minister for his open-door policy, not only to MLAs but to constituents when they come in. He's a rural person and relates very well to rural people, and I really have appreciated his assistance over the years.

I have a few not really concerns about ADC. I think the ADC program is doing a really good job. As the Member for Bow Valley said, it is being limited by a little trouble getting the loans through. In some areas in my constituency, it takes up to six months. But I have another small concern about the program. That is, when you set up a local ADC committee of very good and competent people, and when on appeal they recommend unanimously that a loan should go ahead, I think someone in the department should be listening. I just happen to have one on my desk where they're not listening. I'm going to have to use again that open-door policy the minister has, to see if I can get this through. Outside those small problems, I think the ADC program is doing a real job in rural Alberta, with its starting farmers program and other programs.

I would like to say a little about some of the irrigation projects in my area, in the Western Irrigation [District]. The money we have put into irrigation is really helping irrigation districts. That is also working well. The beef program has been received very well in my constituency. As the Member for Barrhead said, I don't think there will be anybody who doesn't apply for it. I was glad to see in the budget that the weather modification had been expanded. When you live in a dryland area like I do, you have the irrigation getting the money to the south and the subsidizing on the grazing leases to the north. We seem to

be left out. We do have that little program of hail suppression, and I'd sure like to see it expanded.

I would like to mention one other thing: markets for our beef. I believe everybody here will agree that in Alberta we have the best quality beef in the world. I brought in a fellow who is building a luxury hotel in Barbados, and he wants to feature Alberta beef. A month or so ago, I went to the minister with this. This fellow has now gone back to Barbados. He is going to be back here again, and he still wants to feature Alberta beef. I said that I hope there wouldn't be any problem with exporting boxed beef. He would like to have it in his hotels and would like to sponsor our beef all through the Caribbean. I think that would be an excellent way to promote the beef. I think he'll be back in a couple of weeks, and I'm sure we will be able to sit down with the minister and see if we can't market this beef.

With those short remarks, Mr. Chairman, I would like to get in on some of the estimates later, and maybe bring in a few suggestions for improvement. As was mentioned before, I would like to see some overall financing program for farming. Whether it's through ADC, some other banking institution, or some other method would be something we would have to look at. But I would like to see it, not just for ADC but for AOC and small business men, where they can get a reasonable rate of interest for Albertans. There is a lot of concern out there about the high interest rates, and a few farmers are going bankrupt, I guess some of them through their own fault. But at the same time, I think it's something we'll have to look at.

Thank you very much, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. SCHMIDT: Thank you very much, Mr. Chairman. There's probably some duplication in some of the questions that were asked. In answering them, I hope they fall into their basic slots for those who have asked, recognizing I have taken notes as they were asked, starting with the Member for Spirit River-Fairview.

On an overall basis, Mr. Chairman, I would like to say thank you for the support of the programs we have and the budget before you. I would just like to touch roughly on the comments by the hon. Member for Spirit River-Fairview, and to do so in the form the questions were asked. First of all was the issue of transportation, followed with the part the Crow plays.

The announcement made by the Hon. Jean-Luc Pepin of a change to the existing Crow rate was supported by me and my colleague, from the point of view that it was the change that was required, a move that had to be started and generated by the federal government because it was their basic responsibility, and in which we agree because it's one of the first moves for a long awaited change in the transportation system for western Canada. We recognize that the Crow issue is part of that total transportation package. But one would have to temper that support with the statements made that on behalf of producers within this province, we expect some guarantees. Those basic philosophies are that the benefit of that Crow rate should still be retained by the producer; there should be some guarantees if a rate structure changes — the balance, the difference, should be made up by the federal government financially — there should be a guarantee both ways for a continued service, an upgrading of the service, if there is to be a change in the remuneration to the railroads; and there has to be some

guarantee of longevity for that retention of the Crow benefit.

There are a number of ways one could achieve the end result. Perhaps that's one of the problems that exists in the differences of opinion that lie within not only producer groups but provinces as well. That's understandable, Mr. Chairman, when one looks at the differences that exist in the total systems of production, province by province. If you do a short analysis of the producers collectively, the products they produce, and the areas of specialty crops, then it becomes apparent that the approach will be, and is, different by all various sectors, including the provinces. But I am convinced that there is common ground and that a recognition of change in the transportation picture will bring about an end result, recognizing that we have some common ground to start with.

The Member for Spirit River-Fairview also discussed some changes in the transportation package *per se* for the Peace River block. I think that was covered. We recognize that if the responsibilities on behalf of producers in this province are to be met in a change for transportation in the future, then those problems that exist throughout the province, and those of the Peace as well, have to be addressed as part of the total package and the total solution, if we're going to achieve that end result on behalf of all producers.

I would like to say that the figures that have been presented on behalf of Snavelly have been questioned, and rightfully so, by producer groups and by provinces. At present we have a consultant looking at those figures and trying to compare the Snavelly update with figures that would relate to the Alberta producer. Hopefully those figures will be available to us in the very near future.

I'd like to touch on total stabilization. We followed up the beef cattle and sheep support program — a one-shot program — with a statement that if producer groups and government failed to move on the longer term, then the short-term program really hadn't achieved too much on behalf of the industry. We agree that if there's going to be any long-term stability in the livestock industry, one should look for some solution, regardless of what type of program, to provide that stability. The same committee that represented the total livestock industry across the province, that we had the opportunity to work with, has been continuing and looking at some of those long-term problems, and hopefully is coming closer to some long-term solutions.

We as a province have stated that if those solutions are going to take out the province-to-province competition, they be federal in nature. That places all individual producers on the same grounds. Failing that, we would be quite prepared to meet and discuss programs that would have some unanimity with our neighbors in western Canada. Failing that, we would then go alone with a program. The hog support assurance program of course is an example of the longer term program built in at the end of a short stop-loss program. I think it is achieving the end result of giving some stability to that industry and taking out the highs and lows. The beef industry has to face that change in their long term if stability is to be brought back to the industry.

Interest rates and credit in regard to the Ag. Development Corporation: the corporation came into being because there was a void in the lending agencies and the availability of credit to agriculture throughout the province at that time. It came into being as a lender of last resort, has remained that way, and has successfully filled

that void of capital funding that wasn't available to a segment of the agricultural industry, which remains true today. Over that period of time, the differential between the short-term and long-term needs in agriculture have been assessed and met: the short term basically through the chartered agencies and the longer term with the chartered banks to some degree but to a greater extent through the federal Farm Credit Corporation and the Ag. Development Corporation.

It's only with the change in the federal fiscal policy and the high interest rates that it challenges the availability of the short term. The opportunity for those who have normally been using that route for operating capital has now placed them in a different category because of repayment ability, because it deals directly with a rising input cost. Because repayment abilities change, some who were not eligible a couple of years ago now find themselves eligible for some form of refinancing. We have been able to help a number, although that number has been relatively small when you recognize that out of the total lending through the Ag. Development Corporation, just over 80 per cent of those funds have gone to the beginning farmer approach, which leaves 20 per cent to cover all the other programs.

The three basic reports in 1981 key to agriculture: the Horner report is being studied at the present time. Because of its broad spectrum of reporting, it covers many areas. That portion on marketing and production involved in the livestock industry is part of the committee that has been looking for solutions to the long term, and is reviewing that report at the present time. I am pleased to see the Surface Rights Board submission and the opportunity for us very shortly to be able to debate the recommendations and, from there, new legislation. One other report I want to touch on, because reports were mentioned, is the Foster report, which dealt directly with the hog industry. The recommendations of that report have been put into place, those that were immediate and some that were short term. The longer term solutions of course will come from the industry, the program, and the assurance plan that's before them.

[Mr. Appleby in the Chair]

I would like to touch on a few of the comments and questions asked by the hon. Member for Bow Valley. I was pleased with the interest shown with regard to the programs available to producers in the province in 1981 and our continuation in '82. Perhaps market assistance is one of the keys. Because marketing and transportation go hand in hand, it has to be key for the producers in this province. We have already achieved the ability of production of both quantity and quality. If we are to maintain and increase that type of production — and the indications are that those pressures will be on producers — then marketing has to take on a whole new approach. We were pleased to be able, not only last year but to continue this year, to try to improve that market, both within Canada and throughout the rest of the world.

The Ag. Development Corporation, from the administrative side with regard to loan applications, times, those individuals and the steps taken in the processing and the approvals, came under a review by consultants. Their report is now being studied as to perhaps some areas of change.

With regard to the livestock program, the application date was set as the last day of March. By that time, we are sure that about 53,000 applications will have been

registered. If we find that there are qualified producers who haven't had the opportunity, for one reason or another, of making the application by the end of March, we would certainly take a look at giving them the opportunity to qualify.

The hon. Member for Barrhead came up with a number of good points, and I would like to touch on one. I think it's key not only to his constituency but to many others in the dairy herd improvement program. We recognize the role that dairy producers play within this province, the need for upgrading, and the challenges that will be ahead for them as well. Herd improvement falls into one of the tools of areas of research. The more one can improve, whether through programs such as dairy herd improvement or through areas of research, has the same effect as cutting down the actual input costs.

The request for increased activity in this field has given us the opportunity to work with the industry and, for this year, an increase in funding in both manpower and dollars. Collectively we have agreed that after this year, with that increase we will have the opportunity to build up the expertise required. The industry would then take over that total role, and the province would support but bow out from the actual control and responsibility of providing that herd improvement program. It would be handled by the producers themselves.

I am pleased with the weather modification, hail suppression program. As was stated, it is an area of research. Whether it's a matter of Mother Nature or whether it is a key, one of the benefits was the announcement by the all-risk crop insurance of a refund of 25 per cent of the program to those who were covered under all-risk, because of the reduction in hail claims last year. Those renewing their all-risk crop insurance before the end of March this year will receive a 25 per cent reduction in their premium rate because of that reduction in hail.

It's a question as to the benefits. We are convinced that over the period of years, even though it is an area of research, the end result is producing results that we would like to see. With new, totally equipped research aircraft, perhaps we will be able to come up with data that will substantiate some of the claims and the philosophies we have reached over the last six years in the program. So we are pleased with the ongoing program itself.

No comment on the foot-long egg.

Some comments from the Member for Grande Prairie with regard to support: feed freight assistance is a program we would like to see disappear. Unfortunately, because of areas of drought at one time or another throughout the province, it has always been part of our ongoing programs, and no different this year. The program was designed to end as of the end of March. Because of the winter we have had, we are going to extend that program until June 1, recognizing that for those people who have had to avail themselves of the feed freight assistance program, their need is as great for the next few months as it has been over the winter. So that extension will be forthcoming.

Two comments were made with regard to beekeepers throughout the province. We have had an opportunity to work with the beekeepers, through their association, and starting this year have been able to work on an opportunity for them to be covered in the all-risk crop insurance program, under a program of their own but administered by the all-risk crop insurance program. It would appear that both sides are reasonably happy with that approach, and that should take out the ups and downs for the honey

producers throughout the province. There was also a comment that beekeepers were not eligible through the Agricultural Development Corporation. I would assure all hon. members that we have handled applications for beekeepers and will continue to do so. They are accepted on the same basis as any other agricultural approach.

One comment from the hon. Member for Drumheller in regard to the Ag. Development Corporation appeal committees: they are local committees that were established when the Ag. Development Corporation was formed, and have done an excellent job. It's unfortunate that sometimes a recommendation on appeals that are sent back to the corporation has not always been followed. It has always been a concern of mine that you have a group of dedicated local people who sit on those advisory committees and hear the appeals; perhaps there's a better role they could play in the total application of either a beginning farmer or any other of their constituents. Hopefully that will show up in part of the review of the consultant's report.

The hon. member also mentioned the availability of Alberta beef. No doubt about it; we're tops in both quality and quantity. I'm sure that our international marketing people will be able to work hand in hand. If your friend would like boxed Alberta beef and arrangements can be made, we'd be very pleased to see that his hotels are exclusive in that particular product.

With that, Mr. Chairman, I look forward to further comments.

MR. BATIUK: Mr. Chairman, I would like to direct just one question. Earlier the Member for Bow Valley mentioned that there have been some amendments after the policy. I wonder whether it's being continued. I had one constituent quite concerned. He was a beginning farmer a couple of years ago. He bought heifer calves. They've come to the point where they were bred as of September 1, but he doesn't qualify because it's not for replacement. He had nothing to replace; he had no cattle. It seems to me that some of these may be in more dire need of assistance than some of those who have ... So I wonder whether it is being amended as needed, or is there one policy?

MR. SCHMIDT: Mr. Chairman, I neglected to mention the program, recognizing that the question had been asked. There have been no amendments to the program other than some clarifications when we got down to the smaller print, in defining the producers who qualified. It would be interesting to note that as of a week ago, 26,000 applications had been received. Out of that 26,000 only 164 did not qualify, for various reasons. You have to assume, first of all, that the program is meeting most of the requirements. Secondly, the opportunity we took in meeting with staff, and the good job that the regional departmental people are doing in filling the applications, would account for the computer kicking out as few as 164.

We recognize that there are, and always will be, some who do not qualify for a program, recognizing that if it is a one-shot program that starts on a date and closes on a date, people will be missed by sheer hours; some by days. We have had many requests to change the timing. But the question is whether if you extend it for a day, why not two? Then why not a week? If you can go a week, then it's unlimited. So we've stuck very closely to the times of the program, but we recognize that perhaps there have been a very few producers who were missed inadvertently.

The question the hon. member brought to the fore of the beginning farmer who started a herd basically of heifers, but no cows at this particular time, may be one of them. The only reply I can give to hon. members at this time is that at the close of all the applications, we would perhaps review again some of those that were spit out, so-called, by the computer. Secondly, you realize that there is an appeal procedure for those who were not eligible or appeared not to be eligible. Some of those appeals will be coming back. Perhaps at that time it may form a pattern, and we could take a look at it.

Agreed to:

Total Vote 1 — Departmental Support Services	\$16,155,920
Total Vote 2 — Production Assistance	\$40,528,784

3 — Marketing Assistance

MR. MANDEVILLE: Under international marketing, I see we have an increase of 15.6 per cent. Could the minister indicate where they're going to be improving the marketing system as far as international markets are concerned?

MR. SCHMIDT: Mr. Chairman, that increase basically will maintain the high level of service that was given last year, but recognizing that the cost of international travel, both in the methods of travel and for lodging, have increased dramatically. That will just take care of those increases.

MR. MANDEVILLE: One further question, Mr. Chairman. Under program support, there is an increase as well. Will the minister be adding more personnel to the program? Will more personnel be working in the field of international marketing?

MR. SCHMIDT: Mr. Chairman, the increase in program support over the last year is the signing of the new agreement we have under nutritive processing. Of course that would make the difference between last year and the estimates for this year. That program support is certainly a very useful tool in recognizing the upgrading of the processing of our raw products within the province. It's a shared program between the province and the federal government.

Agreed to:

Total Vote 3 — Marketing Assistance	\$20,020,290
Total Vote 4 — Rural Development Assistance	\$23,121,538
Total Vote 5 — Agricultural Development Lending Assistance	\$58,655,000
Total Vote 6 — Hail and Crop Insurance Assistance	\$5,945,000

7 — Financing of Alberta Grain Terminals

MR. MANDEVILLE: Mr. Chairman, I wonder if the minister could outline briefly what's going to happen as far as the grain terminals are concerned. Are they going to rearrange or do more than just store grain? Are they planning on cleaning grain or making any new programs as far as the terminals are concerned?

MR. SCHMIDT: Mr. Chairman, in their original design the terminals were built and carried a program mainly of storage and delivery. Since inland terminals came into being and have been operating, the role has gone to service. In other words, they have lent themselves more to receiving and shipping, for a greater turnaround. That will be the direction they're going. Cleaning is now taking place at the terminals. Some of the increase you see before you is the upgrading necessary to meet some of the insurance requirements that existed when the terminals were purchased. The largest part, of course, would lend itself to that part of the insurance that covers capping of bins, dust control, repainting and, in one case, the opportunity to upgrade some of the mechanical — the legs themselves, although I believe the material was there for the one in Lethbridge; it's just a matter of putting it in place.

MR. MANDEVILLE: Mr. Chairman, I wonder if the minister could explain how they allot storage at the terminals to farmers. What is their policy? What arrangements do they make to determine who is going to store grain in the terminals?

MR. SCHMIDT: Mr. Chairman, it's my understanding that anyone who wishes to make use of the terminals has done so. In a very general way, I guess the rapeseed/canola producers in the northern part of the province have utilized the Edmonton terminal; not exclusively, but it certainly handles the bulk of the rapeseed for this part, in both cleaning and shipping. A lot of the rapeseed/canola reaches the terminals here by truck. I guess they receive on availability of space. We have tried by block to utilize the terminal in Lethbridge with soft white wheat growers, recognizing that to achieve that there would have to be a release of soft white wheat by the Canadian Wheat Board, if at that particular time of the season they were finding it difficult or were not marketing soft white. Because it's a specialty crop, we feel we could handle it in the terminal and have it in during that crop year and out again at a very limited time, and perhaps could have met the market. The Canadian Wheat Board has now been marketing and selling soft white, and some of those bottlenecks haven't appeared as in the past.

MR. MANDEVILLE: Mr. Chairman, for the operation of the terminals themselves, is the board of directors appointed by the Minister of Agriculture or the Minister of Economic Development? Do they set all the policy as far as the terminals are concerned?

MR. SCHMIDT: Mr. Chairman, they're operated as a Crown corporation. The province holds shares in the company. The members of the original board were appointed. They carry out policy as a group. The government is, of course, represented at the annual meeting as a shareholder. The policy so far is to operate the terminals in the same vein they were before, but to achieve a greater turnaround; in other words, to increase the movement of grain through the terminals rather than to be storage oriented.

The question is the future role of Alberta Terminals. Basically, the only way it could change would be to change its format and future as to whether it should become a selling agent. Of course, that in itself challenges the total transportation package. As was mentioned before, perhaps it may be timely and will be part of the

discussions in settling the total transportation package and the Crow rate itself.

MR. SINDLINGER: Mr. Chairman, a supplementary to the minister, in regard to the terminals. I'm having difficulty understanding the terms in the estimates for the Department of Agriculture, which show \$3.6 million for the financing of Alberta grain terminals. Also, the Department of Economic Development shows an item of \$31.6 million for grain handling storage facilities. I'm wondering whether these two estimates for each department refer to the same thing, and if there's going to be a point in time when only one department will be responsible for those costs as opposed to two, if in fact two are bearing the costs now.

MR. SCHMIDT: I didn't catch the last figure stated by the hon. member, Mr. Chairman. I believe it was from part of the estimates for Economic Development for Alberta Terminals Ltd. The Department of Agriculture has sole responsibility for Alberta Terminals Ltd. The involvement through Economic Development would be in another phase. This is the operational phase of Alberta Terminals Ltd., of which the involvement here is through equity financing.

MR. SINDLINGER: A supplementary, Mr. Chairman. Does the Department of Agriculture have any role to play at this point in time with regard to the financing of the Prince Rupert grain terminal, or does that all come through the Economic Development Department?

MR. SCHMIDT: Economic Development has been responsible for handling the transactions at the port of Rupert. The Department of Agriculture is certainly interested in the end result, recognizing that the total transportation package we're faced with will have a bearing on Rupert on completion. One should also recognize that the three terminals that exist cover Edmonton, Calgary, and Lethbridge. There is an interest and a need for some form of collection, whether it be through Alberta Terminals Ltd., in areas where there are no off-track elevators. That covers two specific spots in the Peace River area, one at Valley View and one at Fort Vermilion-La Crete. Alberta Terminals Ltd. has been looking at some of the needs that exist there. Whether it would be the role of Alberta Terminals Ltd. to be the tool for providing some form of facility there is perhaps down the road.

MR. SINDLINGER: Mr. Chairman, in regard to Vote No. 7, the financing of Alberta grain terminals, is any part of this \$3.6 million for capital costs or is it all operating costs? If capital costs are included, is there a definite termination point requirement for capital funding?

MR. SCHMIDT: Basic funding provided by the Department of Agriculture deals directly with equity financing — capital from the point of view that they have a commitment to upgrade to meet the insurance requirements. That was one of the facts that existed the day we purchased. There has been some upgrading to date, and hopefully we will be bringing that part to a close. A capital expenditure beyond that would have to come back to the department as a recommendation from Alberta Terminals Ltd., recognizing that they run their own operations and have a return on the service they provide to producers.

MR. STROMBERG: Mr. Chairman, I understand that for the past several years a considerable amount of canola has been brought in from Saskatchewan, mainly from Saskatchewan Wheat Pool, to be cleaned here at the Edmonton terminal. Would the minister have any indication of how large a volume has come in from Saskatchewan to be cleaned here and then shipped out? This has not only helped Alberta farmers, it has had quite an impact for the Saskatchewan pool.

MR. SCHMIDT: Mr. Chairman, I'm aware of the combination of both Alberta and Saskatchewan producers utilizing the terminal elevator, also in the cleaning of some of the canola that came from both. As to the amounts, I have no idea what percentage there would be, one over the other, but I know that they provide a service in both cases.

MR. STROMBERG: At his convenience, could the minister supply us with the number of tonnes that have come from Saskatchewan? Those amounts are not available in the annual report of the Saskatchewan Wheat Pool, and I'd like to see them made public.

MR. SCHMIDT: Mr. Chairman, I could contact Alberta Terminals Ltd. and, I'm sure, get an indication as to the breakdown between Alberta and Saskatchewan grain being cleaned or handled through the terminal.

MR. SINDLINGER: Mr. Chairman, continuing along on questions in regard to the Alberta terminals, I wonder if the minister might be a little more specific and indicate what portion of the total vote is required for capital spending and that portion which is required for operating costs, and perhaps embellish on what the operating costs are, bearing in mind that what I'd like to lead up to is the provision for recovering costs from the project, if in fact there is one.

MR. SCHMIDT: Mr. Chairman, the funds before you would be transferred and accepted as equity share on behalf of the province, being the total shareholder. The expenditure of Alberta Terminals Ltd., of course, one would have to get from Alberta Terminals Ltd., because they budget and operate entirely on their own, other than the request through budget in this case and an increase of \$3,608,000 from last year.

MR. SINDLINGER: Mr. Chairman, what I was getting at is that if the financing is for the acquisition of equity, generally there are provisions for recovering that equity from time to time in terms of dividends. I'm not too sure about the operation of the Alberta Terminals Ltd., whether we recover dividends through our participation on an equity basis, whether it's just a break-even proposition, whether it's intended to earn money, or whether it's subsidizing the grain handling.

I might go on to a more specific question, if the minister could address that aspect of it. A more specific incidental question would be the percentage utilization of the grain terminals over the years since they've been under the new ownership.

MR. SCHMIDT: Mr. Chairman, I would have to get those figures from ATL and make them available. I don't have them with me.

MR. SINDLINGER: Mr. Chairman, might I also ask if any projections have been done for future use as compared to the past utilization of the terminals?

MR. SCHMIDT: Mr. Chairman, I'm aware of projections, if their role stays the same. I'm not too sure that those projections would be adequate if their role were to change. In other words, at present they're involved in operating a terminal. If they become more than that — in other words, enter into buying as an agent — then perhaps there would be different projections.

MR. SINDLINGER: Mr. Chairman, I'd now like to go on to another subject area, if I may.

MR. CHAIRMAN: We're dealing with Vote 7 at the present time. This is the final vote. All the general discussions have been completed. I don't know what the committee would wish.

MR. SINDLINGER: Perhaps I could reserve that until we go to the final vote on the total estimate, if I may please.

MR. R. SPEAKER: Mr. Chairman, with regard to the terminal, I remember the discussion in the Legislature — during Dr. Horner's time, I believe — was the idea of unit trains, moving total shipments of grain to the coast and back. The terminals were going to be part of that type of concept. When I talk to a number of farmers, they feel we just haven't accomplished that. When I talk to the Canadian Pacific railway, I understand they aren't really doing that. They've done certain things in the last month to improve the turnaround of regular trains, in terms of negotiating with the labor people at the coast, whereby they're willing to work weekends and get the trains back. I understand that some trackage has been improved to do that.

Is the concept of unit trains still in the works? I think some of the early tests indicated that it was a good idea. Where does that fit into the picture at present?

MR. SCHMIDT: Mr. Chairman, I'm no expert on unit trains and transportation from that point of view, other than to say that the terminal in Edmonton, because of its physical size, trackage, and otherwise, lends itself to a unit train approach; in other words, sufficient cars to make up a unit can be brought on to the siding, loaded, then sent out as a unit train. Perhaps the opportunity to utilize a unit train system may be better in the future, when we get down to the completion and use of Rupert *per se* because of the double tracking. Apparently that is one of the problems that exists in the unit train system. Sidings have to be of sufficient size and nature to handle a total unit train.

I think the information we have and the limited use we have achieved in a unit train approach indicates that it's certainly one of the goals one should aim for and provides that benefit to the producer. The end result comes back in actual cost to the producer in using a unit train. Also the utilization of the rolling stock itself is increased. I think the opportunity for us to try to challenge that will probably be greater in the future than it has been in the past.

MR. MANDEVILLE: Just one short question, Mr. Chairman. When the federal government controlled grain terminals, they never utilized the capacity in the terminals

to the full degree. Could the minister indicate if the terminals are to capacity, as far as present storage is concerned?

MR. SCHMIDT: Mr. Chairman, I can't answer that. I don't even have a percentage of the degree of stored grain in the terminals at present. I would have to guess that the 26 million tonnes, as a goal by the Canadian Wheat Board to achieve the movement of grain this year, is relatively on target. So I can only assume that the amount of grain in storage within the terminals would be less than normal. I would be pleased to contact them and get the actual percentage of degree of storage that exists in all three, and provide it to the hon. member.

Agreed to:

Total Vote 7 — Financing of Alberta

Grain Terminals \$3,608,164

Department Total

MR. SINDLINGER: Mr. Chairman, may I now direct another question to the Minister of Agriculture? It's in regard to the Crow rates, which were discussed quite thoroughly this morning. I'm not too sure we have explored one aspect of it. That's in regard to what rate level is required to ensure that the railways cover their total costs. There is a great deal of debate today about exactly what that number is. Different people are saying that it's at different levels.

In 1973, the federal government gave a commitment to the provincial government to supply confidential railway cost data it receives on an annual basis, which is given to the Canadian Transport Commission and Statistics Canada. The Alberta government has had those for some years. I would like to ask the minister if the department is using that cost information to determine the difference between the rate the railways are receiving today and their costs for transporting grain.

MR. SCHMIDT: Mr. Chairman, the only answer I can give the hon. member at the present time is that the information and figures that have been provided over the period of years have either been accepted to some degree or rejected throughout all of western Canada. The last upgrading of the Snavelly report that brought forth some cost figures has been questioned again by individuals and by provinces. At the present time, we are in the process of having a complete study done in regard to looking at those figures that exist, not only in the past but those figures that have been upgraded in the last Snavelly report, to see whether or not they fall into the category and to some degree resemble the actual costs on behalf of Alberta producers here. Hopefully that information will be available to us very shortly.

As to the actual cost that has to be established, it's our understanding that Dr. Gilson, in holding the hearings, which will be finished by the end of March, will be receiving submissions not only from the organized commodity groups in establishing and trying to come up with

a figure that's acceptable, but I also understand that Dr. Gilson will be meeting with the railroads to confirm or come up with a recommendation as to a figure. Those recommendations will go to the federal government. After those hearings are completed, hopefully the provinces will have the opportunity to present their views. By that time, we should have an upgrade of the figures that have existed in the past and also the relatively current.

MR. SINDLINGER: Mr. Chairman, I wonder if the minister might indicate who is doing the review of the costing, whether it's being done in-house or out-house. I wasn't quite clear on that point. Is the costing being done by Alberta in-house technicians or is it being done by consultants hired for this purpose?

MR. SCHMIDT: Mr. Chairman, it's being done by a consultant.

MR. SINDLINGER: Then I might ask the minister if the outside consultant will have access to those confidential railway costs that were given to the government by the Canadian Transport Commission. The Canadian Transport Commission has given railway unit costs — not to be confused with a unit train, but a per production item; for example, a unit cost like fuel cost, labor cost, equipment cost, and things of that nature. They were provided to the government on a confidential basis on the condition that they not be given to people outside the government. So I'm wondering how you reconcile that problem, having somebody outside the government attempting to identify the difference between railway freight rates and their total cost.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, members are already aware that on Monday afternoon, the hon. Leader of the Opposition will continue the budget debate and that that will be the business for the afternoon. The Assembly will not sit in the evening, because a meeting has been called of the committee on privileges and elections.

[At 1 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

