

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Wednesday, April 3, 1985 2:30 p.m.

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

## PRAYERS

[Mr. Speaker in the Chair]

head: **PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

MR. STILES: Mr. Speaker, pursuant to Standing Order 93, I've taken under consideration the petitions for private Bills which have been received by the Assembly and wish to report that all those petitions have complied with Standing Order 86, with the exception of the petitions for Bill Pr. 4, Management Consultants Act; Bill Pr. 5, Les Soeurs de Sainte-Croix, Province Sainte-Therese — Sisters of Holy Cross, Saint Theresa Province Act; Bill Pr. 12, Highfield Trust Company Repeal Act; Bill Pr. 13, Society of Management Accountants of Alberta Amendment Act, 1985; and Bill Pr. 14, Youth Emergency Services Foundation Act.

Mr. Speaker, the Private Bills Committee has had under consideration the question of those petitions which did not comply with Standing Order 86 and recommends to the Assembly that the provisions of Standing Order 86 with respect to the deadline for completion of advertising be waived, with the exception of Bill Pr. 4, Management Consultants Act, to permit those Bills to be dealt with once the proper advertising has been completed. I request the concurrence of the Assembly in this recommendation.

MR. SPEAKER: Having heard the motion for concurrence by the hon. Member for Olds-Didsbury, would those in favour please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.  
The motion is adopted.

head: **INTRODUCTION OF BILLS**

**Bill 217**  
**An Act to Amend the Labour Relations Act**

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill 217, An Act to Amend the Labour Relations Act.

This Act would both restore the legitimacy of bridging clauses in existing contracts and provide that employers could no longer unilaterally alter the terms and conditions of employment through the simple expedient of staging a 24-hour lockout.

[Leave granted; Bill 217 read a first time]

**Bill 44**

**Crown Property Municipal Grants  
Amendment Act, 1985**

MR. MCPHERSON: Mr. Speaker, I request leave to introduce Bill 44, the Crown Property Municipal Grants Amendment Act, 1985.

This Bill has positive financial implications for downtown revitalization in the province of Alberta. The essential element of the Bill is to authorize the Lieutenant Governor in Council to make grants to a municipality with respect to Crown property situated within a business revitalization zone designated by the municipality under section 171.2 of the Municipal Government Act. In other words, Mr. Speaker, the Crown will now participate financially as an owner of property within a designated business revitalization zone in a manner similar to other property owners.

[Leave granted; Bill 44 read a first time]

**Bill 39**

**Livestock Identification and  
Brand Inspection Act**

MR. MUSGROVE: Mr. Speaker, I request leave to introduce Bill 39, the Livestock Identification and Brand Inspection Act.

[Leave granted; Bill 39 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bills 39 and 44 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 250**

**Food Store Wine Sales Act**

MR. LEE: Mr. Speaker, I beg leave to introduce Bill 250, the Food Store Wine Sales Act.

This Bill will permit the licensing of food stores in Alberta to display and sell wine under certain specified conditions, including no sales on Sunday and the right of local municipalities to opt out.

[Leave granted; Bill 250 read a first time]

**Bill 223**

**An Act to Amend the  
Electric Energy Marketing Act**

MR. R. SPEAKER: Mr. Speaker, I beg leave to introduce a Bill, being An Act to Amend the Electric Energy Marketing Act.

This Bill repeals the present Act on the statutes. It puts things back in the marketplace.

[Leave granted; Bill 223 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. HYNDMAN: Mr. Speaker, I wish to table a report of activities pursuant to section 10 of the Government Land Purchases Act. As well, in response to a request made in the Assembly last November 13 by the hon. Member for

Little Bow, I'm filing with the Assembly five copies of the purchase agreements and debentures for loans outstanding under the Canada Investment Division of the Heritage Savings Trust Fund back to 1977 and ending three years ago.

MR. JOHNSTON: Mr. Speaker, I would like to file with the Legislative Assembly six copies of the annual reports of important advanced educational institutions in this province for the year ended in 1984, including the University of Alberta, Medicine Hat College, the Banff Centre, Red Deer College, Grande Prairie Regional College, and Keyano College. As well, Mr. Speaker, I want to file with you the annual statement of the Alberta Council on Admissions and Transfer.

DR. REID: Mr. Speaker, I wish to table with the Assembly the annual reports of the Department of the Solicitor General and the Alberta Racing Commission for the year ended March 31, 1984.

#### head: **INTRODUCTION OF SPECIAL GUESTS**

MR. SCHMID: Mr. Speaker, I'm delighted today to be able to introduce to you and to members of the Assembly 32 beautifully dressed young ladies and handsome young gentlemen from grades 5 and 6 of Donnan junior high school. They are accompanied by parents Mrs. Fortier and Mrs. Brooksher and by their teacher, Vlad Eshenko.

I especially thank their teacher, Vlad Eshenko, because it's the fifth time he has had a class from his school here in as many years and also because Vlad Eshenko not only has twice been term president of the Shumka Dancers, the exuberant dance group that everybody in Canada knows, but also has been dancing with them for 20 years — an excellent gentleman and also, I have to say, a contributor to the preservation of our cultural heritage here in Alberta and in Canada. I ask them to rise and be recognized by this Assembly.

MR. ZAOZIRNY: Mr. Speaker, on behalf of my colleague the hon. Member for Calgary Millican and me, it's my pleasure to introduce to you, and through you to members of the Assembly, a combined group of 34 grade 8 students from the Colonel Walker school in the constituency of Calgary Forest Lawn and the Victoria community school in the constituency of Calgary Millican. Accompanied today by Mr. Schluppe, Mr. Greckol, and Mr. Tuff, they are seated in the members' gallery. I ask that they rise and receive the warm welcome of the Assembly.

MR. MARTIN: Mr. Speaker, I beg leave to introduce 15 junior high students from Chimo school in the beautiful constituency of Edmonton Norwood. They are accompanied by teachers Jane Gateman, Steve Rossall, Ross Armour, and Duane Steil, and they are seated in the public gallery. I ask them to stand and receive the traditional welcome of the Legislature.

MR. STROMBERG: Mr. Speaker, this afternoon we have with us 34 visitors from grade 6 of the New Sarepta school, along with their principal, Mr. Pitzel, and Miss Joanne Huebner. They are seated in the members' gallery. I might point out to the Minister of Education that they are from one of the more successful community schools in Alberta, and if he will loosen up his budget, they will have their

school refurbished this year. I now ask them to stand and be recognized by the members.

MR. PAPROSKI: Mr. Speaker, I am honoured and very pleased to introduce to you, and through you to members of this Assembly, six members of the Northern Alberta Institute of Technology Ooksiks hockey team.

These representatives from NAIT, in the constituency of Edmonton Kingsway, have brought fame and glory to Edmonton and, indeed, to the entire province. First of all, they completed a season of 33 wins with zero defeats. Last week the Ooksiks demolished their opposition in the Canadian Colleges Athletic Association championship tournament held in Moose Jaw, Saskatchewan. The NAIT Ooksiks are the Canadian champions. As their MLA I would like to congratulate those present and the entire team and coaching staff for their efforts.

I am proud to introduce those here today to members of the Assembly. Seated in your gallery, Mr. Speaker, are head coach Perry Peam and players Ron Amyotte, Kevin Imrie, Ross Kenny, and Mark Schultz. I believe assistant head coach Paul St. Cyr is still there, but he might have had to leave early. I ask them now to rise and receive congratulations and a warm welcome from hon. members.

Mr. Speaker, it is also my pleasure to introduce to members of the Assembly 20 energetic, bright, and polite students attending Dovercourt school in the Kingsway constituency. They have come to see the Legislature in action. I had the pleasure of meeting them today and was presented a number of letters with concerns and questions about many issues, including gun control, abortion, and impaired driving. I look forward to visiting these students in their classroom in the near future. They are seated in the public gallery and are accompanied by their teacher, Lil Borys, and by student teacher Sharon Greer. I ask hon. members to please welcome them.

MR. DIACHUK: Mr. Speaker, I too want to join my colleagues in introducing to you and to members of the Assembly a class of grade 6 students, from the constituency of Edmonton Beverly. Accompanied by their teacher, Steve Shamchuk, and one of the parents, Mrs. Teresa Grahame, they're seated in the public gallery. They are everything that all the members said about their classes, plus something more. I hope they will rise and receive the usual warm welcome of this Assembly.

#### head: **MINISTERIAL STATEMENTS**

##### **Public Lands and Wildlife**

MR. SPARROW: Mr. Speaker, it is my pleasure to announce that April 7 to 13 is National Wildlife Week, in which Alberta will be a very active participant.

The importance of wildlife to our environment, our economy, and our culture must be recognized in order to protect and enhance its significance in future generations. It is very worthy to note that through the utilization and enjoyment of our wildlife resource an estimated \$1 billion was generated indirectly to Alberta's economy in 1984. In the past the Alberta government has played a very significant role in various programs and activities to enhance both wildlife and its habitat.

Wildlife Week aims to give the private sector, volunteer groups, and government agencies the opportunity to highlight

wildlife and its importance to all Canadians. In particular, it seeks to educate our young people, the stewards of tomorrow's wildlife, about the value of their wildlife heritage.

Throughout Alberta many activities are planned to allow Albertans the opportunity to further their knowledge and to realize the importance of wildlife to our environment.

MR. MARTIN: Mr. Speaker, I'm certainly glad we're having National Wildlife Week. Nobody can quarrel with it. I'm glad we're acknowledging it. But I wonder where game ranching fits in. I'm sure the minister is now going to reassess his position on game ranching in the spirit of National Wildlife Week, at least until some of the concerns have been met.

#### head: ORAL QUESTION PERIOD

##### North Saskatchewan River Water Quality

MR. MARTIN: I'd like to direct the first question to the Minister of the Environment. It has to do with some reports that have resurfaced about water quality in the North Saskatchewan River. I would like to file for the information of the Assembly three copies of recent results obtained by the city of Edmonton on tests for hydrocarbons in treated water from the Rosedale plant. Can the minister advise if testing of hydrocarbon levels is done as part of his department's ongoing testing of the North Saskatchewan?

MR. BRADLEY: Mr. Speaker, on Friday I indicated the nature and extent of the department's monitoring programs with regard to treated water in the city of Edmonton and specifically with regard to a number of substances, including the one the hon. member has indicated.

MR. MARTIN: A supplementary question. Can the minister advise the Assembly if his officials have discovered high levels of naphthalene, which is reportedly a cancer-causing agent, in particular in treated river water in recent months, and what follow-up of that the minister has made?

MR. BRADLEY: Mr. Speaker, in terms of our sampling done on Edmonton's treated water, the 1984 survey and the 1985 results to date have not indicated that we have found any of those substances in the Edmonton treated surveys.

I should indicate to the hon. member that the levels of naphthalene he alluded to that were found in the Edmonton water was a test the city of Edmonton does on a fairly daily basis, with regard to an organic scan through a gas chromatograph in their laboratories. In the early spring, when there is runoff into the river system, they increase their monitoring program to provide them with this information.

With regard to naphthalenes, the information I received from my department officials is that the levels which have been indicated in Edmonton's drinking water are not, or do not appear to be, carcinogenic or a health concern.

MR. MARTIN: A supplementary question. The minister made the statement that there don't seem to be any hazards to health. Has the minister been advised whether or not drinking water full of high amounts of hydrocarbons over an extended period of time is safe? My question is not just

the here and now but over an extended period of time. What evidence do we have on that?

MR. BRADLEY: Mr. Speaker, there are no standards in Canada with regard to the substances the hon. member alluded to. The Canadian Council of Resource and Environment Ministers has formed a task force which is reviewing the Canadian drinking water guidelines and looking at other parameters, including the ones the hon. member alluded to, in terms of seeing whether or not we can establish standards, which we would put into our guidelines.

Mr. Speaker, it should be noted that with regard to the naphthalenes, benzenes, anthracenes, and other substances which have been indicated in the report done by the city of Edmonton Water & Sanitation Department, in terms of human consumption much higher levels of these substances are ingested through food we consume daily. For example, in the vegetables, fruits, dairy products, and eggs consumed by a human, on the average daily intake basis there are normally some 250 micrograms of benzenes. The levels of benzene found in the Edmonton water supply would contribute to less than 5 percent of the normal daily intake of these substances.

MR. MARTIN: That's all very nice, Mr. Speaker, but I'm asking about the North Saskatchewan water. As a follow-up from the minister's answer, is the minister saying he is not sure whether or not water full of hydrocarbons over an extended period of time is safe? Is the minister saying he's not sure? I'm talking over a longer period of time.

MR. BRADLEY: Mr. Speaker, one has to look at the short term and at the long term. In terms of the long term there is no record of long-term detection of these substances in the Edmonton city water supply. As I indicated, for a one- or two-day period in the spring runoff period the Edmonton city sanitation department has identified some higher levels of certain substances.

I can advise him that the levels of benzenes found in the Edmonton water supply were 8.4 parts per billion and 16.2 parts per billion. It's generally accepted that over a longer period of time you would not want to see levels greater than 10 parts per billion. If that occurred over a longer period of time, we would register some concern.

The United States has not yet established guidelines for this substance, but their safe drinking water committee has provided us with the following information with regard to these effects. They say that there would be a no adverse response level for a seven-day exposure to benzene in drinking water at levels of 250 parts per billion. What has been experienced in Edmonton's water supply was a one- or two-day exposure. The 250 parts per billion guideline that the U.S. suggests would be applicable comes out at being some 15 times higher than the two-day occurrence which has been indicated for Edmonton.

MR. MARTIN: It's nice to know what the Canadian guidelines are and what's happening in the United States. My supplementary question to the minister is simply this: what is the minister's department doing to assess the long-term effects of these substances in our water?

MR. BRADLEY: Mr. Speaker, the levels of different substances — there's a wide range of them in existence in the world today. Because of increased technology we're now able to detect lower and lower limits of various substances.

With regard to the substances the hon. member alluded to, there have been no guidelines established in Canada in terms of drinking water. I've alluded that at the Canadian Council of Resource and Environment Ministers meeting in 1983, at the initiative of Alberta a task force was set up to review the Canadian drinking water guidelines. But there is no appropriate information available to us at this time from which to definitively come up with standards with regard to these substances.

MR. MARTIN: A supplementary. I hope the minister will move on this rather quickly. It seems to be an important matter. My question is to the minister. Will the minister be sitting down with the city of Edmonton regarding the merits of some cost-sharing arrangements, perhaps, for a water pipeline from the Rosedale plant to the E.L. Smith plant, which might resolve some of these problems?

MR. BRADLEY: No, Mr. Speaker.

MR. MARTIN: Mr. Speaker, a supplementary question. Why not?

MR. BRADLEY: Mr. Speaker, we will be reviewing with the city of Edmonton, and have reviewed on a number of occasions, what action they may take with regard to the taste and odour problem in Edmonton's water, which is a perception problem in terms of the quality of Edmonton's drinking water. There are various things the city can do. With the department of National Health and Welfare, we have funded a study which is ongoing at the University of Alberta and which is looking at different treatment technologies. We will be reviewing with the city of Edmonton other aspects with regard to removing these substances from the water supply, and the possibility that they might look at moving the intake for the Rosedale water treatment plant.

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

MR. MARTIN: Yes. As I recall, two years ago Mr. Kupchanko of the minister's department said that he would be happy to dip his arms in a vat of PCBs. Will the minister be equally courageous and volunteer to dip his arms in the North Saskatchewan River?

MR. BRADLEY: You know, Mr. Speaker, with regard to this subject a little bit of knowledge is sometimes dangerous, particularly with regard to reporting alleged effects with regard to certain substances which may be in the atmosphere, on our land surfaces, or in our water. I think the hon. leader is exhibiting that quality today.

DR. BUCK: Mr. Speaker, a supplementary question. Last July 1, as part of the Canada Day celebrations, we took a canoe trip between Edmonton and Fort Saskatchewan, and that river is a mess. I would like to ask what monitoring goes on downstream from Edmonton to Fort Saskatchewan and points east to see what is the quality of the water, especially where the regional sewer line from the St. Albert outfall comes in? What monitoring goes on downstream from Edmonton?

MR. BRADLEY: Mr. Speaker, we have three monitoring stations on the North Saskatchewan River: at Devon, Pakan bridge, and Lea Park. Monthly and regular monitoring takes

place at those specific locations. There are also remote, or robot, monitoring stations at those specific locations. If the parameters they are monitoring are exceeded, we are immediately notified.

I should indicate to the hon. member that I, too, took a trip down the North Saskatchewan River this summer and noticed what was taking place in the river. There certainly are some problems with regard to the St. Albert lagoons and the discharge into the North Saskatchewan River at that point, as with the discharges by the city of Fort Saskatchewan. Through the planning program that has gone on over a number of years by my department, and now the Department of Utilities and Telecommunications, the Edmonton regional sewage system has been developed, which is now beginning operation. The solution in those cases, as I understand it, is that both St. Albert and Fort Saskatchewan will be tying into this very sophisticated new treatment system in which the province has invested a considerable amount of funds, I believe some \$146 million.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate how far we are into moving into tertiary sewage treatment? We don't seem to be getting too many results with just the primary and secondary treatments. Have we moved to a stage where we're now looking at tertiary treatment to take some of the more undesirable elements out of the sewage that's going into the river?

MR. BRADLEY: Mr. Speaker, I am not aware that there are specific concerns which tertiary treatment would address in terms of the sewage effluent that would come from the Edmonton regional treatment plant. We have built in the ability to provide tertiary treatment specifically for phosphorus removal.

#### Gasoline Pricing

MR. MARTIN: Mr. Speaker, I'd like to address the second question to the Minister of Consumer and Corporate Affairs. Would the minister outline what regular monitoring her department undertakes of gas prices at the retail pumps, and is she directing her officials to assess the gas price increases which have occurred in the last week since the announcement of the new energy agreement?

MRS. OSTERMAN: Mr. Speaker, the department does not monitor those prices.

MR. MARTIN: A supplementary question to the minister. Is there any level of government monitoring these prices at this time?

MRS. OSTERMAN: I'm sorry, Mr. Speaker, I can't answer that question. There is information we receive on a regular basis, but I wouldn't call it monitoring.

MR. MARTIN: A supplementary question to the minister. Our office was in touch with several major gasoline retailers in the province this morning, and it's clear that since last week the major retailers in Edmonton have hiked their pump prices by 2 cents per litre, or nearly 10 cents per gallon, with indications that Calgary retailers are following. Will the minister now direct her officials to develop projections on how high gas prices are going to go, especially following full decontrol of oil prices on June 1?

MRS. OSTERMAN: Mr. Speaker, the government does not set gas prices.

MR. ZAOZIRNY: Mr. Speaker, perhaps I could briefly supplement the answer by making the point, with which I think most members of the Assembly are well familiar, because it's an obvious part of the energy agreement, that no part of the western accord would give rise to any increased gas prices. As a matter of fact, on deregulation, which will not occur until June 1 despite the earlier signing, there is in fact the possibility of a gas price decrease, because both the Canadian ownership special charge and the petroleum compensation charge will be removed.

MR. MARTIN: That's very nice, and we hope that. But the increase is now. It would be just a matter of rolling it back.

My question is to the Minister of Energy and Natural Resources. Can the minister advise if any information brought forward during the energy negotiations led him to believe there would be these sharp price increases for Alberta consumers right after the agreement was consummated?

MR. ZAOZIRNY: Certainly not, Mr. Speaker. And despite the hon. member's most diligent efforts, I think it's clear that the western accord has no relation to the current prices charged at the pump, which undoubtedly relate to the normal retail circumstances.

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

MR. MARTIN: There is a cause and effect in these things, as the minister is well aware. Will the minister of energy advise whether he would schedule a meeting with industry officials to determine the possible reasons for these gas price increases, which are very significant given the profits the industry can anticipate when the old oil prices change after June 1?

MR. ZAOZIRNY: Mr. Speaker, as I indicated in an earlier answer, despite the fact that the member is now on to his next written question, the fact is that on deregulation on June 1 there is the prospect for prices to move down. There is that possibility because of the removal of those two charges I referred to earlier.

MR. MARTIN: Well, on the ...

MR. SPEAKER: Perhaps we could come back to this topic later in the question period. It may be that we'll have time.

#### Teaching Standards Council

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Education. Yesterday I mentioned the pursuit of leadership by the minister. Today I want to mention the question about the pursuit to destroy the Alberta Teachers' Association in the province of Alberta. Could the minister confirm that he has issued to 28,000 teachers in this province a letter which indicates that they should support the Council on Alberta Teaching Standards as 'edicted' by the minister?

MR. KING: Mr. Speaker, it wasn't 28,000; it was 33,500 letters sent out yesterday over my signature to every cer-

tificated teacher in the province, explaining the interests of the government on behalf of the profession.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Will the minister table a copy of that letter in this Legislature for the information of members?

MR. SPEAKER: Surely if the hon. leader saw the letter before he asked the question, it wasn't necessary ... [interjections] I just assumed that if it went out to 33,500 people, there wouldn't be any difficulty getting copies of it.

MR. KING: Mr. Speaker, I would be delighted to table copies of the letter, and I will see that that is done before the end of question period.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Would the minister also confirm that a memo went from his office, under his signature, to the Premier of this province, indicating that if the ATA as an executive group would not heel in this province, the minister would take action and direct a letter to all the teachers and undermine the association? Would the minister confirm that memo that went to the ...

MR. SPEAKER: Order please. The hon. member has been a member of at least one and perhaps more cabinets. He fully knows — perhaps he has forgotten — that in any place in the British Commonwealth, as far as I know, intracabinet communications are never a proper subject for the question period.

MR. R. SPEAKER: Well, the memo has gone, Mr. Speaker; I'm aware of that. A supplementary question. Could the minister confirm the content of that memo that went to the Premier, indicating the actions that would be taken by the minister in terms of the letters out to the some 32,000 teachers in this province?

MR. KING: Mr. Speaker, I am not in a position to confirm that.

MR. R. SPEAKER: Well, Mr. Speaker, the hon. minister can keep the information to himself. It is publicly known that the memo was written, and there is a lot of unfairness going on in this province.

MR. SPEAKER: Order please. The purpose of the question period isn't to find out public information.

MR. R. SPEAKER: That's right. But the accountability of ministers and the accountability to very significant organizations in this province is important.

A supplementary question. Could the minister indicate whether there are any plans to revise the policy with regard to the Council on Teaching Standards after review by the minister?

MR. KING: Mr. Speaker, let me begin by saying that I am accountable to this Assembly and that I am accountable to the people of the province for the decisions I make as Minister of Education. I am certainly not under any illusions as to my accountability, although the hon. member opposite may have some illusions — or delusions.

The government has no plans whatsoever to change its progress in the establishment of the Council on Teaching

Standards unless, as I have mentioned in this House, the Alberta Teachers' Association adopts a resolution saying they support the principle of the council, no matter what reservations they have about the structure, the composition, or the role of the council. Unless they are prepared to adopt a resolution that says they support the council in principle, then it would be unfair to them, to the government, and to the people of the province to expect them to be represented on the council.

MR. R. SPEAKER: Mr. Speaker, a supplementary question in terms of the letter again. Could the minister indicate the reasons for sending the letter rather than attempting further negotiations with the Alberta Teachers' Association executive?

MR. KING: The reaction of the Alberta Teachers' Association on Friday did not suggest that they were interested in any further discussions. Certainly, when I became aware of the fact that they were printing a special edition of the *ATA News*, which is being sent to every teacher in the province, and in light of my experience on Monday afternoon, I must confess that I didn't consider the likelihood of discussion as being very fruitful.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to the role of the ATA in negotiating with government. In light of the actions taken by the minister, does he feel that the ATA executive and their respective officers across the province are no longer the negotiating body on behalf of the teachers of Alberta with government?

MR. KING: Mr. Speaker, I think there continues to be some misunderstanding about what is at issue here. On Friday I announced the establishment of a body which is advisory to the Minister of Education in the discharge of the responsibilities assigned to him under existing law in this province. That law is itself not recent; it's the same law that was on the books when my hon. colleague opposite was a member of the government. In fact, we are dealing with law that was established by his party when it was the government in the early and mid '30s.

There is no responsibility which this council suggests which is new to the Minister of Education. There is no responsibility which the establishment of this council takes away from the Alberta Teachers' Association. There is no way whatsoever in which this council detracts from the opportunity of the Alberta Teachers' Association to discharge its mandate under the Teaching Profession Act, and I want to be very clear about that point first of all. Secondly, I recognize full well that the Alberta Teachers' Association has a mandate from the teachers of this province. I understand that mandate, and I respect it. On every opportunity I discuss issues as appropriate with the Alberta Teachers' Association. But if their mandate ...

MR. MARTIN: Mr. Speaker, we've been told that question period is going on too long. I submit that every time the Minister of Education answers a question, he makes a speech. That's part of the problem, not just the questions from this end. So I hope he would follow the spirit of the question period.

MR. SPEAKER: I respectfully suggest to the minister that perhaps there could be some additional brevity. But on the other hand, I must observe that when a question is loaded

with implications which are controversial and especially which attempt to reflect unfavourably on the minister, it would be less than fair if he were not given an ample opportunity to reply.

MR. KING: Mr. Speaker, I was asked if I understand the mandate of the Alberta Teachers' Association in terms of their 28,000 teacher members across the province, and the answer is yes.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister.

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

MR. R. SPEAKER: Not necessarily, Mr. Speaker, depending on the ...

MR. SPEAKER: It will be.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate whether changes in terms of the council will occur following a response from the some 32,000 letters to the teachers? Secondly, will the present approach of the minister be used in other items that may follow, whereby when the minister doesn't agree with the Alberta Teachers' Association executive and elected people, he goes to the teachers of the province for their confirmation of his position?

MR. KING: Mr. Speaker, in six years as minister this is the first occasion I have taken to write to all the teachers in the province. It is a practice that would be used very, very sparingly. There are very few questions that are as important as this to the education of children and the professional status of teachers. Out of a concern for the education of children and a concern for the professionalism of teachers, I made the decision that on this occasion I would write to each and every one of the teachers in the province. But the answer is that I don't expect similar situations to arise in the balance of my term as Minister of Education.

MR. GURNETT: Mr. Speaker, my question to the Minister of Education pursues another concern related to the Council on Alberta Teaching Standards. Could the minister indicate to us on what basis he determined that the sensitive issue of establishing this council should not be a matter that was dealt with by legislation so that members here, who represent Albertans, would have an opportunity to debate both the structure and the direction of this body that we've heard is so very important to everybody in the province?

AN HON. MEMBER: Wait until you get your letter.

MR. KING: It's true that letters will be awaiting the hon. Member for Spirit River-Fairview when he returns home.

The response is very simple. The council does not have any authority or responsibility in and of itself. It is advising the minister on responsibilities that are currently mandated to him under existing law. It never crossed my mind, frankly, to consider that we would consider passing a law to establish an advisory committee.

MR. GURNETT: A supplementary question, Mr. Speaker. In view of the very special concern that's related to this,

I'd like to quote a statement by the minister that dates back to May 8, 1984, in *Hansard*, where he said that

in our recent experience, all professions have chosen to be organized in two groups, one looking after their professional interests and one looking after their welfare interests. The teachers are the only group that has chosen a single organization, and we need to do some work on developing the model by which that choice could be implemented.

Mr. Speaker, is it the assessment of the minister that the teachers' choice to keep both those functions operating under the one organization will be maintained, given the very minimal role the Alberta Teachers' Association has in the new council?

MR. KING: One of the very positive characteristics of the council is that it is structured in such a way as to be very flexible. Flexibility will allow it to respond to situations as they develop in the next three or four years. There is absolutely nothing in the structure of the council that dictates a minimal role in these questions for the Alberta Teachers' Association. The Alberta Teachers' Association can have a role as strong, prominent, and constructive as they choose for themselves, and I continue to hope that they will make a choice for a strong, positive, constructive involvement with the council. I continue to hope that they will do that because, indeed, the co-operation of the ATA on this question would be beneficial to the professional role of teachers in the province. I would like to see the ATA co-operate.

MR. GURNETT: A supplementary question, Mr. Speaker. We hear about flexibility, and yet there seems to be that inherent danger that it could be what the minister wants it to be.

Another case I'd like to draw to the minister's attention and ask about deals with another statement he made where, again, one thing seems to be said and I wonder if another thing is meant. On April 1 this year the minister said that in September 1983, when he disestablished the Board of Teacher Education and Certification, he announced that he was doing so for about 15 months, meaning that he didn't intend to replace the board for about 15 months, I assume. However, in a news release dated September 21, 1983, and that is also quoted in *Hansard* of October 19, 1983, the minister said that he intended to have the board replaced by January 1984. In view of the April 1 statement about 15 months and the October statement about two months, would the minister clarify which of these statements was the case?

MR. KING: They were both the case, Mr. Speaker. What happened is that at the time it was dissolved, the expectation was stated that a successor would be in place in January 1984 or thereabouts. In the immediate aftermath of that, in informal conversation, the opportunity presented itself that there might be discussion about a new Teaching Profession Act during 1984. Therefore, as is obviously the case, I let the nominal date of January 1984 go by, because there was the prospect that we might make progress with the development of a new Teaching Profession Act in 1984.

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

MR. GURNETT: In view of the comments about the broad mandate of the council and the flexibility it has, my question

to the minister is whether he would direct that council, as one of its first tasks, to determine how many full-time teaching positions would be created if the money now earmarked for the initiation to teaching project, or internship as it has been described, is directly injected into the budget for the operation of schools in the province.

MR. KING: If the hon. member would care to put that thought in writing and expand on it just a little, I'd be pleased to consider it myself and to refer it to the council when it is established.

#### **Sugar Beet Industry**

MR. HYLAND: Mr. Speaker, my question to the Minister of Agriculture is related to a meeting that was held in Lethbridge last night. I'd like to ask the minister if at that time any announcement was made by the MPs who were to be at that meeting and if he could inform the Assembly what it was.

MR. FJORDBOTTEN: Yes, Mr. Speaker, there was a meeting in Lethbridge last night. It was put on by the Lethbridge Chamber of Commerce and the Lethbridge city council, and members of the sugar beet growers in southern Alberta were at that meeting. For some time we have been expecting an answer from the federal government, hoping they would live up to responsibility to a \$170 million industry in this province; however, the answer last night was no, there would be no support from the federal government.

MR. HYLAND: Mr. Speaker, in view of the importance of the industry to southern Alberta and to the economy of Alberta, was the minister in a position to make an announcement on what the provincial government would do, if anything, to assist the industry?

MR. FJORDBOTTEN: Mr. Speaker, there certainly is recognition in this province about the importance of an industry that has basically been under siege for some time, considering that a goodly amount of their crop was frozen in the ground. Not only the sugar factory in Taber but the equipment dealers, the equipment the producers own: all those things were taken into account. Recognizing that a decision had to be made quickly so producers could get on with their plans for spring planting and so their negotiations with B.C. Sugar could proceed, last night we as a government were able to make a commitment of \$10 per field tonne of beets, at an estimated cost of \$6 million for one year, with a possible renewal for an additional year. It's our hope that the federal government will come to its senses during that time and accept their responsibility in that industry.

MR. HYLAND: Mr. Speaker, is it the intent of the Minister of Agriculture or other members of cabinet to go to Ottawa with a delegation, or the possibility of a delegation, to assist the producers going to Ottawa in carrying their case before the federal ministers responsible, who seem to have neglected western Canada once again?

MR. FJORDBOTTEN: Mr. Speaker, I've been informed today that a delegation from the growers, the city of Lethbridge, the town of Taber, the chambers of commerce from Lethbridge and Taber, irrigation districts, and others intend to go on April 15 and 16, I believe. At this time

I'm not able to say whether I'm going to be able to go; however, the MLA for Taber-Warner, who has been a strong advocate for the industry, is planning to attend.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to representation on this issue in Ottawa. Has the minister made any contact with the Premier of the province, who is now in Ottawa and in conference with the Prime Minister, to discuss the matter directly with the Prime Minister or the federal Minister of Agriculture to try to bring some conclusion to the matter fairly quickly?

MR. FJORDBOTTEN: Mr. Speaker, that's an excellent suggestion, but I haven't had time today to do be able to do that. However, it is our intention to make sure the Premier is fully informed of what happened last night and to suggest to him that he make whatever representation he sees fit to see that the issue of our producers in this province is well represented.

MR. SPEAKER: A supplementary by the hon. Member for Drayton Valley, followed by the hon. Member for Bow Valley, and then the hon. Member for Spirit River-Fairview. Then we'd better get on to the next question. We're running out of time.

MRS. CRIPPS: Would the Minister of Agriculture make representation to the Minister of Public Works, Supply and Services and the Better Buy Alberta program so that we could use Alberta sugar in this building and in other government buildings?

MR. FJORDBOTTEN: Mr. Speaker, I'd be happy to take that under consideration.

MR. MUSGROVE: Mr. Speaker, a supplementary question. Is the minister considering any financial assistance for those growers who had beets frozen in the ground?

MR. FJORDBOTTEN: No, Mr. Speaker, we're not.

MR. GURNETT: A supplementary question. Would the minister now be considering any kind of special per-acre payment for producers in the Peace country, where a similarly serious disaster resulted in a lot of grain crops being left on the ground, under snow?

MR. FJORDBOTTEN: Mr. Speaker, we're very sensitive and very aware of the difficulty it's causing producers in northern Alberta. I've answered the question previously in the Assembly. It is covered by crop insurance, something under which the sugar beet industry is not covered. In addition, we have made representation to the federal government, with which they did agree, to move on cash advances for crop under snow. In addition to that, we've made representation to make sure there is a payment from western grain stabilization, which is coming and which should be helpful. But there are no plans for any further support at this time.

#### Calgary Olympics

DR. BUCK: Mr. Speaker, my question is to either or both the Minister of Tourism and Small Business and the Minister of Recreation and Parks. In light of the fact that we seem to be getting some bad vibrations about what the Calgary

Olympics are going to cost us, is anybody in a position to indicate who in the government is trying to keep a lid on the proposed costs of the 1988 Winter Olympics?

MR. TRYNCHY: Mr. Speaker, the province's commitments are well documented, and it's public knowledge. Our budget is on target, our construction is on target, and we don't have any concerns.

DR. BUCK: Mr. Speaker, can the minister confirm that the proposed budget seems to be going from about \$450 million to \$1 billion? We're now using funny little things like "costs" as opposed to — what's the other word they use? The semantics — they're trying to blow \$500 million. Is there somebody in this government who can assure the taxpayers of this province that somebody in the government is looking at keeping down the costs for the 1988 Winter Olympics?

MR. TRYNCHY: Mr. Speaker, our commitment is firm, it's public knowledge, and we'll pick up no over-runs. I don't know how much plainer I can be. I guess the question he talked about, the festival costs, should probably be directed to the Olympic committee in Calgary. But the provincial commitment is firm, it's there, and we will not pick up any over-runs.

DR. BUCK: Mr. Speaker, we heard that same baloney about the Olympics in Montreal. The government was monitoring the cost of the Saddledome, and that record is not very envious. Is the minister of recreation going to appoint someone to liaise with Mr. King in Calgary to make sure we don't go from \$450 million to the \$1 billion that is already being rumoured?

MR. TRYNCHY: We have the Olympic Secretariat on stream right now. It has been on since we started. So we have government people monitoring with the Olympic committee, and everything is according to our schedule. Construction is on schedule. The prices are on schedule. Our commitment is firm, and we will not pick up any over-runs.

DR. BUCK: Mr. Speaker, is there any basis in fact that we were budgeting for about \$450 million, and now we're looking at \$1 billion? Is this information that's coming out of the Calgary Olympic committee incorrect?

MR. SPEAKER: With great respect to the hon. member I think there is a rule we haven't referred to for some time, that question period is not the place to confirm or disavow rumours.

DR. BUCK: Mr. Speaker, to the minister. Because we have an investment in this, is the minister in a position to indicate what monitoring is in place, in the minister's department or whoever is doing this, to try to find out if some of the estimates we've projected are not in line with the realities of this day's prices?

MR. SPEAKER: It seems to me that the hon. member is repeating his questions. I can't distinguish that question from the preceding ones, and I am very much concerned about running out of time.

MR. TRYNCHY: Mr. Speaker, again I want to state that we have a commitment — it's public knowledge — and



our commitment is firm. The dollars are there; the construction is on schedule. The other costs the hon. member talked about — he should probably direct his question to the city of Calgary, which is the host city, and to the Calgary Olympic committee [chairman], who is at present Frank King. That's where he might get that information. But our commitment is public knowledge. All he has to do is pick up the documents I've mailed him and read them.

#### **Workers' Compensation for Taxi Drivers**

MR. LEE: Mr. Speaker, my question is to the Minister responsible for Workers' Health, Safety and Compensation. It's with respect to the Taxi Driver Safety in Alberta report, which was released at the end of February. Given that there is no single occupational health and safety provision which specifically identifies or addresses health and safety hazards unique to driving a taxi and given that there is considerable confusion amongst those who work in the industry as to what legislation applies, is it the intention of the minister to clarify the situation either by introducing comprehensive legislation or by clarifying this matter generally with the industry?

MR. DIACHUK: Mr. Speaker, there is no intention to introduce one piece of legislation to cover the taxi industry in this province. The intention is, as recommended in the report, to work with the brokers, commissions, and drivers to comply with what we believe is already available to them in this province, the occupational health and safety legislation and the workers' compensation legislation.

MR. LEE: A supplementary, Mr. Speaker. In order to ensure full input from taxi drivers themselves, would the minister consider inviting the taxi commissions in Calgary and Edmonton to host a public hearing to receive submissions informally or formally, for that matter, as to the recommendations in this very important report?

MR. DIACHUK: I don't believe an invitation is needed, Mr. Speaker. But I would welcome it and encourage the commissions to do what I believe the municipal elected people appointed them to carry out and be responsible for.

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

MR. LEE: Mr. Speaker, the report identifies or points out that there is little or no representation by taxi drivers on the taxi commissions in both Calgary and Edmonton. Has the minister given consideration to this concern with the possibility of recommendations that there be a proportionate number of drivers on those commissions?

MR. DIACHUK: Mr. Speaker, I think that representation should be made to the respective city councils.

MR. SPEAKER: The hon. Member for Calgary North Hill, if we can deal with one topic briefly.

#### **Penalty for Late Gas Payments**

MR. OMAN: Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It's come to my attention that — and I use the particular utility because I'm acquainted with it — Canadian Western Natural Gas

tacks on a 5 percent penalty for late payment of bills. If this is multiplied on a 12-month basis, that would, of course, be a 60 percent factor. I'm wondering if that isn't against the Criminal Code of Canada.

MR. SPEAKER: With great respect to the hon. member I think his question is clearly seeking legal advice as to what may or may not conform to the Criminal Code. May I suggest that it be sought outside the question period.

MR. OMAN: Mr. Speaker, let me phrase it another way. Would the calculation of 5 percent per month equal 60 percent per year?

MR. SPEAKER: Perhaps I could loan the hon. member my calculator after the question period.

MR. OMAN: Could I ask under what authority the minister would see this being allowed?

MR. SPEAKER: With respect to the hon. member, clearly, what the law says about who has what authority is a question of law. Perhaps the hon. member might pursue that in another way.

We've run out of time. I'd like to say to hon. members that I'm having a little difficulty with the timing in the question period. I had a relatively short list, and as a result, the hon. Leader of the Opposition asked seven supplementaries on his first question — and two others came from other members — and four supplementaries on the second question. The hon. leader of the Representative Party asked six supplementaries on his question. In total the opposition had 36 minutes out of the 45-minute question period. I have to recognize that the question period is not the exclusive preserve of the opposition. I'll have to be a little more modest in my expectations as to how many supplementaries we can deal with and see whether we can stay within the 45-minute question period and reach as many members as possible.

MR. MARTIN: On that point of order, Mr. Speaker. If that's the case, if the opposition is going to be cut back, there's going to have to be much less leniency in the types of answers we get in terms of speeches from the cabinet ministers. It has to work both ways.

MR. SPEAKER: I'm aware of that, and as I think I've mentioned to several members, there is no monopoly in the Chair to take note of points of order. That's a privilege and perhaps a duty every member has.

In regard to ministers' answers, it depends on the nature of the question. If the question is a direct request for information, I would expect the reply to be equally direct and perhaps equally succinct. But when you have questions — and there is now and again the odd one that I think we might be able to recall — which imply criticisms of the ministers, then it would be less than fair not to permit ministers to deal with those criticisms. As I mentioned just a few days ago, a charge can be made in one sentence, but to answer such a charge may take a trial of two or three weeks. So it's not inconceivable that when a question is freighted down with barbs, the answer may take four times as long as the question.

**ORDERS OF THE DAY**

MR. SPEAKER: May we revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. R. SPEAKER: Mr. Speaker, I would like to introduce through you to the members of the Legislature 41 senior citizens from the Enchant senior citizens' centre. All these people are very fine friends of mine and have contributed much to southern Alberta, certainly to Enchant and area, which is a very important part of southern Alberta. I'd like to introduce each one personally, individually, but I'll introduce them as a whole as very fine friends. I'd like them to stand and be recognized.

MR. ALGER: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to all members of the Assembly, a delightful young lady and four handsome, dedicated, and hardworking gentlemen, all members of the Turner Valley oilfields society, who are visiting us today to discuss an exciting proposal for the development of a Turner Valley interpretive centre. They are Gordon Connell, the president; David Finch, historian; Larry Clausen, industry representative; Banay Lott, Turner Valley town councillor; and Irv Allen, vice-president of this organization. They are standing in your gallery. I ask them now to accept the warm welcome of the House.

MR. SPEAKER: Hon. members may recall that the hon. Minister of Education indicated he would have copies of a certain letter before the end of the question period. The fact is that he indicated to me that he would like to revert to tablings and filings, and I got that information during the question period. With the leave of the House, I now call on the hon. minister.

HON. MEMBERS: Agreed.

head: **TABLING RETURNS AND REPORTS**  
(*reversion*)

MR. KING: Mr. Speaker, I would like to file with the Clerk of the Assembly five copies of an open letter to all Alberta teachers, signed by me and dated April 2, 1985, the subject of which is the Council on Alberta Teaching Standards. In addition, a copy has been delivered to each individual member of the opposition, and of course, my government colleagues received copies of it yesterday.

head: **GOVERNMENT MOTIONS**

9. Moved by Mr. Crawford:  
Be it resolved that when the House rises at 5:30 p.m. on Wednesday, April 3, 1985, it shall stand adjourned until 2:30 p.m. on Monday, April 15, 1985.

[Motion carried]

head: **COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Would the Committee of Supply kindly come to order. We're commencing our committee consideration of the 1985-86 budget estimates.

**Department of Agriculture**

MR. CHAIRMAN: First, I ask the hon. minister if he wishes to make some opening remarks.

MR. FJORDBOTTEN: Mr. Chairman, before proceeding with a review of my department's estimates, I would like to take this opportunity to make those few opening remarks. First, I'd like to say how proud I am of the staff of the Department of Agriculture, from Deputy Minister Ben McEwen to the assistant deputy ministers, Bill Dent, Morley Douglas, Barry Mehr, Art Olson, and Doug Radke, and all their support staff, including the field staff and service people.

The field staff are probably the most important staffers in terms of program delivery, which is key to the portfolio. In these times of budgetary restraint my department staff have been asked to deliver more programs with very few increases in man-years. I would like to highly commend them for their effort. We've all come through some difficult times, and I would like to compliment each one of the Department of Agriculture staff for their actions. We have many new and innovative programs that have been introduced through the Alberta Agricultural Development Corporation. Harold Hanna and the staff at ADC in Camrose are doing an excellent job of meeting the needs of our primary producers and our agribusiness sector. Later on in my remarks I'll be expanding to some degree on the initiatives of the Agricultural Development Corporation.

We have undergone some changes on two very important boards and commissions. Earlier this year I was pleased to announce the appointment of Dave Clark as chairman of the Alberta Grain Commission and Cec Purves to the chairmanship of the Surface Rights Board. Mr. Chairman, I feel it's key to have new faces and new ideas every so often on government boards and commissions to meet the new challenges and to readdress some of the old issues.

Considering the subject matter, Mr. Chairman, I think it's appropriate to note the remarks of Her Honour the Lieutenant Governor, who noted in the Speech from the Throne that agriculture was second only to employment levels and economic stability as a chief priority of the government. I think the emphasis has been backed up by concrete action and shows that this government has a strong and enduring interest in Alberta's agricultural sector. Many programs we have have been strengthened. We're continuing to assist producers in lowering input costs and obtaining the needed operating credit. We're also assisting processors and other members of value-added agriculture to develop and market the goods and services they need to be successful.

At this time last year, Mr. Chairman, my department was prepared to hold the line on spending as much as any other department in government, and we really did hold the line. However, during the year action was needed to ease concerns in a number of areas in the production sector arising from the prolonged drought and the continuing spectre of poor commodity prices. In large measure it is to accommodate the programs this year that the department's 1985-

86 estimates have been increased by 12.9 percent over the comparable estimates for '84-85. This increase does not infer that we've stopped trying to improve our efficiency or to keep spending to a minimum. Indeed, in the last year we have eliminated some programs that were outdated or better off implemented by the private sector.

At the same time, I believe some areas did require further resources to meet the changing demands of our farmers and processors. These have been put in place. Of course, it goes without saying that we're continually listening, monitoring, and examining areas in which we can make moves or modifications to programs that will be of assistance. The majority of the increased estimated expenditures for 1985-86 will go towards fulfilling our initiatives or commitments that were made during the last fiscal year.

I'd like to take the opportunity to briefly highlight some of the variances or increases in the department's estimates. As I mentioned, a number relate to initiatives and commitments made last year. One is the livestock drought assistance program announced last summer by Premier Lougheed and me. As members are aware, this program was designed to assist livestock producers for overwintering of breeding stock in the drought-stricken and feed-deficit areas. This was a \$30 million program that was shared equally by the federal government and the province of Alberta.

Today, Mr. Chairman, I would like to provide a status report on that program and also to comment on the effect of the program in 1985-86. As of March 29 a total of 10,071 applications were received by the livestock drought assistance program. Of that number, 9,968 applications were approved and processed. The total value of these approved grants amounts to \$27,147,622.26. As this amount is really shared jointly with the federal government, the cost to the provincial government is currently \$13,573,811.14. The drought assistance program also includes a special allowance for severely drought-stricken areas. Under this portion of the joint program the cost has amounted to \$6,954,056.19, of which \$3,477,028.10 is Alberta's share. To fulfill the number of functions that must still be performed this year, the department's estimates contain a nominal amount of \$45,000 and 1.5 wage man-years to complete that program.

As members are aware, Mr. Chairman, the livestock drought assistance program did not cover every producer affected by drought. As a result, last fall we were able to announce a \$1.6 million feed freight assistance program to assist those producers who needed to obtain forage from outside their local area to maintain their breeding herds. To date the program has received 279 applications from the 24 approved areas, and as this program continues to June 30, my department's estimates provide \$436,000 for grants and administrative expenses in the new fiscal year.

Mr. Chairman, the department has a number of programs which are designed to respond to weather contingencies. In times of severe stress a program like the livestock drought assistance program might be needed. But year after year we have found there is a need for a program that was so widely accepted last year, and that was the dugout filling program. Last fall as part of our response to the drought situation, we announced that \$500,000 would be added to the existing budget of \$222,000 for a dugout filling program. I wish to put on record today that the total expenditure of this program in 1984-85 was \$842,000. This program has assisted 600 producers to obtain critical water supplies, so it has been very successful. Through the great efforts of the field supervisors, pumps purchased under this program

ran day and night and travelled the length and width of this province. The department will continue this program in 1985-86, and the budget for the program is set at \$264,000.

Mr. Chairman, while I'm on the subject of weather, and as a result of last year's estimates, I'd like to address the whole area of crop insurance and the Hail and Crop Insurance Corporation. The chairman of the board of directors, Jim Christie, and his people, along with the staff of the Hail and Crop Insurance Corporation throughout the province, are working hard and diligently in response to many adjustments we made in the program. We've been speeding up adjustments in both the south, where farmers were hit by drought, and the north, due to snowed-under crops. The Hail and Crop Insurance Corporation moved quickly, before there was nothing left because of the drought, to help Alberta farmers and ranchers take their crops off early as feed or let them plow them under, leaving strips in their fields to allow the adjusters to evaluate the losses later.

With regard to the snowed-under crops in the north, the corporation started accepting claims in mid-November, thereby accelerating the date for assessment and processing of claims. The corporation also made payments over and above the 25 percent advance, in some cases as high as 75 percent, which would be for a producer who would likely stand little chance of recovering any harvest this spring. Roughly 300 claims were reviewed out of a total of 1,200, and further adjustments were made. As well, another review is under way in the corporation's head office, with some additional claims being released. I'd like to point out that over \$2.4 million was sent out by the province and matched by Ottawa to reduce premiums under the high-risk subsidy program for the Peace River region. Mr. Chairman, as a benefit to that region, that in effect lowered the premiums by at least an additional one-third.

When we're working on programs to be effective for people, I think it's worthy to note that we can modify those programs at times. There were some modifications made in the snowed-under. In addition to that, it was at the insistence of the government of Alberta that the Canadian Wheat Board was directed by the Hon. Charlie Mayer, the minister responsible, to make snowed-under crops eligible for up to 50 percent of the Wheat Board's noninterest-bearing advance. The advance was limited by a maximum of \$30,000 per permit holder, but that was important as an additional, new initiative. In addition to that, Mr. Chairman, we have the western grain stabilization program, which will make a payment again in the month of April. With the payment in April and another one likely in November, it means that there could be close to \$200 million more in the Alberta economy.

I think it's worthy to note that we would like to see a coming together of the hail and crop insurance program and the western grain stabilization program so that producers can take out both production and market insurance on a voluntary basis. Everyone should be aware that crop insurance is not income insurance; it's production insurance. There have to be some modifications made if we're going to bring in the other; that is, through western grain stabilization and a trigger mechanism and working in co-operation between the two programs, we can see an effective program that will serve our producers well.

Mr. Chairman, crop insurance this year will reach a record \$175 million to \$190 million compared to 1984 premiums that only brought in around \$100 million. In

1985-86 the corporation has budgeted for an increase of \$1,220,638, or a 13.5 percent increase from last year's estimates. While I'm sure other members will have questions on the topic, I'd like to state that the increase is directly attributable to an increase of approximately \$900,000 in administration costs and a further \$300,000 in high-risk subsidy payments for northern Alberta. Mr. Chairman, I'm certain that you and all the committee would agree that we would prefer not having to provide these types of assistance programs. But I believe we also have an obligation to protect producers and many other Albertans when climatic setbacks like we experienced this past year, that can have a measurable impact on the economy of the province, occur.

Mr. Chairman, I had the opportunity to attend a public meeting in Lethbridge last night to discuss the situation facing the sugar beet industry. As members know, the government of Alberta made a strong representation to the federal government to come up with a national sugar policy. Currently Canada is a dumping ground for imported sugar. I don't think it's right and I don't think it's fair. In the meantime nothing is being done by the federal government. Producers have great difficulty when they're a dumping ground and there's no sugar policy. It's one industry and we could lose it. Therefore, I will be bringing in a supplementary estimate to my budget which will see a \$10 per field tonne payment to producers this year to a maximum of \$6 million.

The southern Alberta MLAs in the agricultural caucus and my cabinet colleagues have worked hard with me to get this commitment in place and not totally lose an industry in this province. That's exactly what was happening. We were going to lose the industry, because without some commitment from somewhere, there would be no beets grown this year and the sugar factory would close. Then if still farming all the farmers in the area would have that specialized equipment and nothing to do with it, as well as many other implications. Hopefully, the federal government will come to their senses and support this industry. We would be prepared to back out and let them fulfill their responsibility, but if they don't, we have the commitment in place and the sugar beet growers can now go ahead and work out their contract with B.C. Sugar. The economic spin-off from the sugar industry in southern Alberta is what I would call in one word "exciting". There are so many spin-offs in total that come to southern Alberta and all of Alberta because of that industry.

In my opening remarks last year, Mr. Chairman, I mentioned the beef promotion campaign, which was announced in late 1981 as part of the beef cattle and sheep support program, and that 1984 was the final year of that \$3 million commitment to beef promotion. My department estimates do not provide any further funding. I believe that program proved effective. It helped build consumer awareness of the quality and supply of our beef products.

Mr. Chairman, I would be remiss if I didn't allude to the situation our hog producers in this province face today. We in Alberta have all the natural advantages for a major, thriving industry, but unnatural forces are at work preventing this from happening to us at the moment. This country needs — and we can't allow it to falter — a national red meat stabilization program to rid this country of balkanization. I'll do everything I can, and I know my agricultural caucus will certainly support seeing that the hog producers' concerns are addressed.

We feel there are two particular areas in policy with respect to hogs. Number one, the producers should receive

the optimum price for their hogs. It's ridiculous at the moment that they receive the lowest price in North America. They should receive the optimum price for their hogs. Secondly, there should be an environment within the province where the packing industry can not only prosper but grow. The hog producers need the packers; the packers need the producers. Arguments and distrust are not doing anything to build our industry.

Mr. Chairman, in January I announced the farm financial assistance program to provide individual counselling with emphasis on financial analysis and management of farm businesses experiencing financial distress. In addition, intensive financial management training opportunities in workshop form, supported by on-farm accounting assistance, would be provided. Although approximately \$775,000 was originally provided by special warrant, agricultural estimates include \$2,549,060. That will continue for four years.

When we go over the number of areas in which we have been very active over the past while, I've identified 11 initiatives we have moved on just with respect to the Agricultural Development Corporation. The first one was the application of incentives on loan payment dates. Secondly, increased equity and experience requirement. Third, the incentives not denied because of off-farm employment of still farming the mortgaged assets. Fourth, the reamortization of up to \$50,000 in arrears. Fifth, the guarantee on farm and small-business bonds. Sixth, we had trade debt consolidation under the Alberta farm development loan program. Then we went on to seven, fixed interest rate options under the Alberta farm development loan program. Eighth, a 9 percent interest rate for the sixth and seventh years of the beginning farmer loans whose five year renewal occurs prior to April 1, 1987. That part of the program is to cost about \$19 million. Point nine, we expanded counselling. We're using practical, experienced farmers to act as enterprise counsellors. It's an exciting program being widely accepted across this province. Tenth, we had farm development guarantees of up to \$100,000 of new operating advances. The banks had to stay in place, but there's another option for producers. Eleventh, we had an agribusiness direct loan incentive. We reduced the interest rate to agribusiness loans by 3 percent. Those are just some of the moves we've made in the last number of months.

The Provincial Treasurer stated in his budget that agriculture is enduring tough times brought on by factors such as subsidized competition and faltering commodity prices. This government has long recognized the fundamental importance of agriculture and in 1985-86 will continue to provide major support. As part of this government's commitment to agriculture the Agricultural Development Corporation will receive a 26.3 percent increase resulting in total budgeted funds of \$101,521,000. Part of this increase is directly attributable to the new farm development loan guarantee program, which I announced last January in addition to the revised interest rates on beginning farmer and part A direct loans.

Another supplementary estimate I'll be introducing relates to the Alberta farm fertilizer price protection plan, which we announced on Monday of this week. If the initial response we received from producers is any indication, this program will be well accepted and well utilized. I received a number of calls this morning saying how pleased they were that the program was now in place.

In his Budget Address, the Provincial Treasurer alluded to the marketing of Alberta's agricultural products being stimulated through overseas offices. During my visit to

southeast Asia, the requirement of an additional — not additional, because we don't have one there at the moment — agricultural trade officer, and how important it would be to have someone like that there, was mentioned to me in many discussions. I'm pleased to announce that my department will open an international trade office within the existing provincial office situated in Tokyo. The employee there will be responsible for agricultural matters in both Japan and Korea and would, on occasion, be required to assist in specific activities for other countries in the general territory. That employee will be charged with the responsibility of expanding Alberta's trade relationship with Japan and Korea, with direct commercial benefits resulting.

In addition to that, Mr. Chairman, my department's estimates provide for a contract position that will work with a major Japanese retailer to develop expertise in merchandising practices, distribution practices, and product penetration in Japan. The methods learned will be passed on to Alberta processors to be utilized in assisting penetration of the Japanese food retailing market. The combined budget of these two initiatives is approximately \$120,000. While I think the cost is somewhat insignificant, I believe these new, innovative approaches will be of great benefit to this province and the agricultural industry.

Mr. Chairman, some members have asked me how Lambco is doing. I'm pleased to report that Lambco slaughtered 111,520 head of lambs and sheep compared to 87,000 head the previous year. On the veal side, Lambco slaughtered nearly 4,000 head, compared to just under 3,000 head for 1983. In addition, on a fiscal year-to-year basis, April 1 to February 22, Lambco generated \$314,000 in net profits before depreciation. When we look at lamb pelts, they are presently bringing in one of the highest price levels in years. Approximately 36 percent of the period's kill left that plant in boxed form. I'd like to compliment Jimi Coughlan and Jim Coutts at Lambco for the excellent work they're doing in running that plant.

Mr. Chairman, there are many other remarks I'd like to make. I'll wait until I get some questions from the hon. members, and then I'll be happy to respond.

MRS. CRIPPS: Mr. Chairman, if my nose will co-operate, I'll just make a few comments. First, I'd like to support the agricultural budget of over \$219 million. Like all members of the Assembly, I recognize the importance of agriculture to the provincial economy. Mr. Chairman, I certainly know the problems in agriculture; I'm told them often enough. I wish I knew the answers as well as I know the problems. I also wish there was an answer that would resolve all the problems in agriculture. They are so many, varied, and different, depending on what area of the province or what segment of the industry you're in.

I guess one of the problems is the carnivorous appetite of the different segments of agriculture. For example, the high cost of forage this winter may have been a boon to the people selling hay and the truckers, but it certainly was a serious financial problem for the people who found themselves with a shortage of feed and having either to reduce or liquidate their herds or in fact buy hay that was far, far overpriced — in some cases two or three times the normal price. If you consider that in our area it probably takes eight round bales — we figure seven in a normal winter, eight or nine this winter — to feed an animal over the winter, and the round bales are running at \$35 to \$40, there's simply no way that the calf next fall will pay the cost of maintenance of that animal. In fact, I told some of

those suppliers that they're their own worst enemy; they may not have customers next year. They may be out of business.

Mr. Chairman, there are two very serious problems in agriculture. First is interest, and I notice that in this budget \$73 million alone goes to assist farmers, especially young beginning farmers, with interest. In fact, in vote 8 we see \$101 million designated to help reduce input costs of agriculture; i.e., interest and budgetary costs, both in primary and processing in the industry. I really support that. I think we have to look at interest as one of the main components of input costs. Second is the cost/price squeeze, and this, as the minister indicated, is a result of the low commodity market. Of course, the solution to this is new and expanded markets. Alberta farmers can produce all the commodity we can sell, but being a landlocked province, we have difficulty getting it to market. We also have difficulty because a lot of the countries that so badly need our product can't afford to buy it in the first place.

I'm pleased to see in this budget the emphasis on market assistance. Mr. Minister, I hope it will be continued and expanded. If you need any support in expanding it, I certainly would give that support. I know efforts to co-ordinate that with the Department of Economic Development have been under way for a number of years. I was pleased to hear the minister indicate that he has taken some new, innovative marketing initiatives with the Japanese market and the Pacific Rim.

I raise concerns in the general budget speech on the need to evaluate the effectiveness of our farm fuel transportation allowance. The reason I raise that is that I want to be able to assure farmers that the benefits do in fact flow through to agriculture. We're looking at \$59 million in benefits to agriculture, and I certainly want to see that those benefits do in fact assist with the input costs in agriculture.

I'm sure that the fertilizer protection program which was just announced, because of the design of the program, will flow through to agriculture. I'm still not the least bit convinced that the cost of fertilizer needs to be that high. I really would like to be able to take a look at all the inputs into fertilizer costs, because if fertilizer can be sold below the border for less money than it's sold here, there has to be some avenue where those costs could be reduced to the Alberta farmer also.

I'd like to commend the minister on his ability to respond to the changing needs of agriculture. As a member of the agriculture caucus I know he gets lots and lots of advice, most of it conflicting. It takes a great deal of discussion, both pro and con, to arrive at a consensus in the agriculture caucus. I know it must be an exciting portfolio with all that advice on both sides of the issue.

I know the people in agriculture have a challenge that they're willing to meet. I'd just like to say before I close that I'm sure they are up to facing that challenge and that this government will be supportive, hopefully innovative, and certainly responsive.

MR. GURNETT: I'd like to make a few general comments as well on the agriculture estimates. Mr. Chairman, I don't see these estimates as reflecting or demonstrating the priority the Speech from the Throne promised for agriculture. The increased dollars we see in the agriculture estimates are taken up in large part by the money that ADC will have for its loan guarantee program. But beyond that, although

there aren't very many cuts perhaps, there's not a lot of news in the sense of good new things happening.

It seems to me part of the problem is that there's a lack of an overall strategy. The hon. member before me talked about how difficult it is to find solutions and how complicated a lot of the issues are in agriculture, and I think part of it comes back to that situation. In this province it's being approached too often in a fire fighting system, a bits-and-pieces approach to agriculture. If we had an overall strategy, we'd be able to make more headway in real solutions for people involved in farming.

I think the fertilizer price protection plan that was announced this week is a good example of that. The idea was needed and certainly welcomed by people farming, and we're all happy that it happened. But in a sense it seems like it just appeared. I was rereading an article in *Western Producer* only a month before the announcement came, where we were told that there wasn't going to be much room to move with programs in Alberta and that people shouldn't look for anything much to happen other than a few housekeeping changes to existing laws. Then suddenly we have this assistance available through the fertilizer price protection plan. As I said, Mr. Chairman, that's nice to see, but I can't help but be a little suspicious that the reason it arrived was politically motivated rather than out of real concern for what's happening to producers in the province. So there's no guarantee that we'll see an overall approach that does something for agriculture in the province. Instead we'll see those things that seem to be beneficial at a given time.

I think the area of research is one of the places where I have a special concern about this bits-and-pieces approach to agriculture. It seems like research arrives year by year. That's true now with both the Farming for the Future program, which seems to get only a year-by-year mandate, and the department's own estimates, when what we need is to look at some long-term research commitments. Hopefully, I'll talk about that a bit later when it comes up as a specific matter. In part of this having an overall strategy, I think one of the key things missing is that we're not looking at the future in agriculture as a priority; we're looking more at what we can do now to cut losses or to reduce damage.

For example, Mr. Chairman, I'm disappointed that we don't see action on a land commission that would have a real mandate to preserve farmland for farm use, that would have some strength to be able to do that, with supportive legislation to discourage speculation on land and to make sure that good agricultural land doesn't get taken out of agricultural use for urban development or these types of uses.

Mr. Chairman, I certainly want to say I appreciate the minister's personal concern for agriculture and the information he has provided me on a number of occasions. His obvious commitment to farmers in this province is good and healthy. But I'm disappointed and angry about an overall lack of support on the part of the government so that we end up with estimates that, as I said, maybe don't make a lot of cuts but don't recognize how difficult the situation really is right now. For example, I'm concerned that there's a reduction in several places that de-emphasizes things like communication, education, and research. These are things that pay longer term benefits. We may not see a lot of payoff for them right now, but they have a cumulative effect over time. We need to be willing to spend money there now, even if it means increasing estimates, so that

we have that long-term benefit as young people grow up in this province and, hopefully, decide to become involved in and make a commitment to farming.

I also don't see that in many ways the decisions and the budget we have before us reflect the positions that farmers and farm organizations in this province are talking about. In several places they seem to be internal; they've come from some kind of talk within the department. But they're not responsive to the needs, problems, or challenges that producers are really talking about over the coffee table in a local hotel or even the DA's desk in a local office.

I'm concerned that soil, our land, is a renewable resource that has to be protected. We have to improve and strengthen what is happening with it. It has so many larger implications as far as small communities in this province and their futures. Mr. Chairman, Alberta farmers are already the most efficient in the world, and they are continually trying to improve. But to do that, sometimes it's going to cost money now. If efficiency is the only criteria, I think we may be shortsighted. We have to protect a way of life and a set of values that are important to people. That might cost money, but we have to spend the money now so that we have that in the future.

[Mr. Purdy in the Chair]

We have precedents of doing that kind of thing in other areas. For example, we're not afraid to invest money in restoring historical sites or supporting various ethnic communities in the province. Those aren't things that have immediate benefits, but they're a recognition that in the long term the way of life of the people in this province has to be supported by government. I think we need to be doing that with the rural way of life in practical kinds of ways.

I think the whole issue of fairness is part of this, and I alluded to that a little bit in question period earlier today. I appreciate the minister's concern that we not have balkanization with agriculture nationally in this country. I'm concerned that there's balkanization developing within the province, where we have a two-tiered situation. For example, agriculture in irrigated areas seems to do much better than agriculture in other areas. I don't want to see balkanization either. I think that we have to look seriously in the budget at fairness to the agricultural community in this entire province.

I want to say that we have to support not agriculture but family farming. The number of farms in this province that are being operated by nonfamily corporations is continuing to increase. There are a lot of reasons for that, and I know they centre in part on the high debt loads and how capital intensive farming has become. But the result is having an effect. There are fewer jobs available on farms in the province. There's a decline in the number of farms. Farm units in the province are down 3,500 farms or about 6 percent in the years between 1976 and 1982. And maybe most painful of all, we've got more and more people having to work away, having to hurt both their family and community life, so that their earnings by working somewhere else can support their farming for another year.

In one area of my constituency this was painfully shown this spring when they couldn't even stage a regular curling bonspiel because so many men who farm in the area were away working. They didn't have enough entrants for the bonspiel. We need to have support to make sure that family farming, not just agriculture, is encouraged in the province,

because agribusiness in a corporate sense will not pay the same long-term benefits to this province that the family farm will.

I'm concerned that net farm income continues to decline, and that's why I'm sorry that we have a set of estimates that don't make substantial improvements for farmers. We know that from 1971 to 1983 there was a 36 percent decline in net farm income. Farmers have less and less money in their pockets. Then in 1984 there was a decline again of 16 percent in that one year alone. This year, while the prediction is that probably every other province in this country will see an improvement for farmers' net income, in Alberta it's predicted to continue to decline, maybe by as much as 25 to 30 percent again.

It's the kind of situation where a lot of factors have played a role, Mr. Chairman. That's why we have this need for overall planning rather than isolated actions or reactions to deal with it, even though in some cases those isolated actions and reactions are needed and we receive them with gratitude. Efficiency and productivity are rising amongst farmers, but the economic squeeze somehow still gets tighter. I would say interest rates are a major part of that problem. We need — and I've talked about it other times — fixed, long-term, low interest rates for farmers, and this province is in a position to be able to provide that through the revenue we have in the heritage fund. This is the kind of thing that would allow individuals to plan, and it would do much more for farm families in this province than financial counselling that may be available through some of the new programs.

If a farm family knew how long, over a significant number of years, they could budget and plan on having reasonable interest rates to deal with, they could make good decisions, because they're basically good businesspeople. That kind of approach, while it wouldn't benefit the banks the way some of the programs that have come in do, would have a real benefit for farmers. They could have a manageable debt load instead of the heavy weight of debt load they're suffering under and the incredible interest payments they're facing now.

I think we also need to look at more encouragement for both processing and marketing in this province. Again, the estimates indicate that we're going to basically hold our own as far as support from the department for these areas. But we need to see more processing of agricultural products in this province. For example, we need to see encouragement or support for meat packing plants to get more up-to-date equipment. We know marketing agencies have been an effective help to producers, and they play an important role in agriculture. They help realize a fair return for producers for their labour and costs, and they also help develop new markets. So we must be supportive of marketing agencies.

I want to talk briefly about transportation as well. There are some serious situations that trouble me, especially in my area. First of all, we need to see the provincial department continue to support an end to any further grain transportation increases by lobbying the federal government. I think we also have to make plans for a freight rate offset plan in the event that the federal government decides to go ahead with further increases.

Mr. Chairman, let me share some costs that were calculated in my own constituency — the loss in money in farm families' hands. This was based on a rate of five times Crow by 1990. Let me take a few representative communities. These are communities where the survival of a grain elevator in the community is vital to their staying

alive too, I might add. In Brownvale it would cost probably somewhere in the range of \$310,000 over those years to 1990; in Bluesky, \$277,000; in Whitelaw, \$218,000. Based on the rate being only five times Crow and not having any greater increase than that, there's a total calculated loss to the communities in my area of \$8.457 million just through the remainder of this decade. That's a lot of money going out of the pockets of families that could use it to know a little bit of security and improvement in their lives in the community.

So I think we need to pay serious attention to transportation. I think particularly of the need, again in my constituency, for a link between Hines Creek, where the railway now ends, and the British Columbia railway system. That would reduce by more than 700 kilometres the distance that grain from the north Peace area has to travel to get to Prince Rupert. We need to see things like that reflected in the economic decisions of the Agriculture department, so that there will be some commitment and some strong effort to see that a facility like that is developed.

I also think we have to continue to look at the issue of parity pricing. Again, that's an issue where there needs to be a commitment to work — encouraging, lobbying, pressuring the federal government — so that producers would be guaranteed a fair return for their work and costs. That happens in every kind of livelihood except farming, and we need to see that kind of security in farming as well.

We heard earlier about another increase in fuel costs for farmers today. The whole fuel problem is a major difficulty, and I want to remind the minister again of my encouragement that we look at returning to the two-thirds of pump price that the fuel distribution allowance provided some 10 years ago. Instead it will now be, on a provincial average, about three-quarters. So it has crept up and up. Also, we need to be looking at a fuel rebate that would assist trucking of Alberta produce so that it becomes more attractive and supported. Also, look at the whole issue of a standard fuel price around this province so that fuel costs the same in my area as it costs near Edmonton. It seems to me, and I'm sure all members have heard it mentioned before, that when you can buy a case of beer in Hines Creek or Spirit River for the same price you can in Edmonton, there should be some security about fuel prices in that area as well.

I'd like to bring up the whole issue of the capital gains tax and remind the minister that since we know he favours that and we know that other provinces have acted on it, it's not something we need to wait for until the federal government acts. We could develop in this province a program to guarantee people that they would receive a rebate, in a reasonable plan, on the provincial portion at least of the tax they pay on a capital gain. I think that would discourage the sale of farmland for nonagricultural uses too. It would certainly encourage farmers who are thinking of leaving and see the sale of their farm as a kind of retirement fund and who have younger family members who would like to continue in farming.

So there are a lot of areas where we could have seen the estimates reflect more money being put into agriculture. As I said at the beginning, it's good at least that there are no major cuts, but it would have been nice to see a lot more things being looked at. I think we have to show a practical commitment to the family farm and the rural way of life in Alberta, so that people can work, live, make the choice of being residents of rural Alberta, with a confidence that there's a reasonable chance of being successful if they

have the ability. That's where the danger lies now; increasingly they don't have that confidence. I sensed that as many, many farmers came to me in my constituency over the winter, and I now sense that as I'm in Edmonton and, daily, farmers are coming in from other parts of the province. They don't feel that confidence is there, and a hold-the-line budget basically doesn't encourage that confidence to grow. I think we have to not wait for problems to arrive but take action, Mr. Chairman. Not only have we got to try to restore what's been there, but we have to take positive actions to initiate new kinds of actions that will further the development of this way of life, that will assure us that we'll have a healthy rural Alberta, a farm family based rural Alberta rather than a rural Alberta that makes a slow shift to being another corporate area of operation.

Thank you, Mr. Chairman.

MR. PENGELLY: Mr. Chairman, along with marketing and the ability to produce, research is the fundamental need of the agricultural industry. As the caucus representative on the Agricultural Research Council of Alberta, it's my pleasure to report on Farming for the Future.

As you know, it's an agricultural research program to improve the net farm income and the long viability of the agricultural industry in our province. The program began in 1979 with a five-year mandate and a \$10 million allocation from the Heritage Savings Trust Fund. In 1980 an additional \$15 million was allotted by the fund to expand the research. In the fall of 1983 the Legislature approved a new three-year mandate and allotted \$5 million for 1984-85.

Awards this year are being restricted to projects in Alberta, and that's a reflection of the restraint which we feel in all areas of government. There is an exception, however, in the projects which require facilities we don't have in the province. It's interesting to note that funding for the on-farm demonstration program has been increased because of its great success.

The second mandate is a major achievement for Farming for the Future. This reflects the government's recognition of agriculture's importance to the province. In 1985-86 Farming for the Future will support about \$5 million in research. The funding is divided as follows: about \$3.75 million in grants to 68 new and renewed projects, and about \$400,000 in support of on-farm demonstrations.

The Agricultural Research Council of Alberta has established nine committees to evaluate and make recommendations on proposals submitted for funding under the research program. These committees are as follows: cereals and oil seeds; crop protection and entomology; forages; irrigation; land resources and engineering; nonruminants; processing, transportation, marketing, and socioeconomics; ruminants; and special crops. Each committee has a member of the Agricultural Research Council of Alberta as chairman and an Alberta Agriculture representative as vice-chairman, and the remainder is composed of producers, scientists, and public-sector managers. As a member of the Agricultural Research Council of Alberta, it is my honour and pleasure to chair the committee on processing, transportation, marketing, and socioeconomics.

Mr. Chairman, the Agricultural Research Council established the on-farm demonstration program in January 1982 in order to intensify and speed up the transfer of new technology from researchers to farmers. This program provides a way of using knowledge and skills of co-operating farmers for the benefit of farmers in the area. I have enjoyed working with the members of the Agricultural Research

Council and members of the committee I chair. I applaud them for their expertise and dedication. I really believe there are exciting things happening in this research.

In conclusion, Mr. Chairman, I would like to say thanks and offer my encouragement and congratulations to our hardworking minister. Keep up the good work, and thank you.

MR. KOWALSKI: Mr. Chairman, it's indeed a pleasure to participate in the debate on the estimates of the Minister of Agriculture. In fact, it's always a pleasure to talk about agriculture. On the agenda of our Legislative Assembly agriculture is a very popular subject. I note that in the throne speech it was identified as a major priority for attention this year. If you take a look on the Order Paper at the motions presented by government members, the number of resolutions and motions we're going to be looking at as the spring session goes on ... Perhaps if I'm a little short this afternoon on some of these subject matters, it's simply because we'll have an opportunity later to talk about and participate in debates on Motion 207, urging the federal government to develop a made-in-Canada interest rate policy that will provide lower interest rates and improve the health of small businesses and the agriculture and construction industries in our country; Motion 212, which urges the government to continue to encourage the use of municipal waste water for irrigation and suitable agricultural land; and Motion 223, which will be brought forward by Mr. Musgrove, calling on the Legislative Assembly to continue to promote the Alberta agricultural industry as being of primary importance in the social and economic well-being of the province. Those matters will afford all members a great opportunity, as the spring session goes forward, to participate in this very important subject.

At the outset I think one should really put in perspective the situation dealing with agriculture in our province today. I want to visualize for all members a graphic I have in front of me. I'm not sure I have the ability to really convey the thoughts that are contained in this little comic strip entitled Hagar the Horrible. But here we have Hagar and his crew of dynamic Vikings in the middle of a stormy sea. One fellow says, "We've hit a reef, the cargo is on fire, and the crew wants a raise." There is Hagar floating on the ocean. "What a way to make a living." Then a bolt of lightning comes down and hits the little boat. It says, "Commuting in all kinds of lousy weather." Then they're storming some old fortress, I guess in merry old England, fighting with ill-tempered customers. "If you make a little money, there are always the tax collectors." Hagar talks to his colleague: "Do you ever think of quitting this Viking business?" "No." The last frame shows Hagar the Horrible in the middle of the ocean, clinging to an old log with sharks all about. The last phrase and caption is, "At least it's easier than farming."

Perhaps by way of perception in the agricultural community there are many people who basically feel that they're being attacked and being shot at from all quarters. There's no doubt at all about the fact that in 1985 agriculture is suffering from a great deal of pressure and tension, but not the type of way my good new friend from Spirit River would have us believe. Perhaps if all members take out their pens, they might want to write down some numbers. The hon. member indicated that net farm income from 1971 to 1983 had reduced itself some 35 percent. Then it dropped some 16 percent more in 1984. It's anticipated that this year net farm income will reduce itself some 25 to 80



percent again. If you total all those figures, you're basically looking at a reduction of some 80 percent in net farm income since 1971. Quite frankly, I find that very difficult to believe. I would really ask him to bring forward and show us the source of his statistics and what the basis for that information is, perhaps a little later when we deal with the estimates.

I also think it's important to put in perspective the fuel prices that our farmers and producers in this province are being asked to pay. Again, my good friend from Spirit River-Fairview sort of indicated that wouldn't it be great if we could go back to the day in which two-thirds of the fuel price — taking back the 1985 level and going back a number of years. I would like to remind him very gently once again that the biggest problem we face in agriculture today not only in our province but across the country is the result of that incestuous relationship that occurred between his party and the Liberal Party when they brought in some nearly 20 cents per litre of federal fuel taxes. They all went: "Rah, rah, rah. Isn't this a wonderful situation, this thing called the national energy program? Shouldn't all people across the country pay this extra 20 cents per litre in terms of taxes?" I think it would be quite negligent on the part of all hon. members to allow them to escape the tragedy, their associations of the past, and somehow suggest that today there's an easy solution to that. I hope they're there asking for a total reduction in these taxes and seeing a reduction in the federal deficit according to the amount of dollars now being collected by the federal government because of these taxes to pay for a number of the programs they and their fellow colleagues in the Liberal Party were so adamant in bringing in and inflicting upon the people of Canada.

Agriculture is important for all Alberta, but in terms of the perspective I want to address today it would be essentially to deal with that part of Alberta I represent, a part of Alberta that might fit within the northwestern region that is known within the confines and geography of Alberta Agriculture. Essentially that northwestern region covers the areas represented by the MLAs for St. Albert, Stony Plain, Whitecourt, Drayton Valley, Edson, Edmonton Sherwood Park, and Wetaskiwin-Leduc. Within that area there are some 12,000 farms with an average size of nearly 440 acres and a farm population of just above 40,000 people. As the Minister of Agriculture knows very well, of the six agricultural regions in the province of Alberta the region that surrounds this capital city of Edmonton contains the largest number of farms, the smallest average farm size, and the largest farm population. Or to put it another way, our region contains some 20.5 percent of Alberta's farms and some 20.6 percent of Alberta's farm population.

In that context I want to raise my first question with the Minister of Agriculture. It deals with vote 4, field services, as contained in his estimates. I know we're going to have an opportunity a little later to come back and take a look at these specific numbers, Mr. Chairman, but I would like to raise this matter with the Minister of Agriculture again, because I raised it with him on April 10, 1984. I've already pointed out the number of farms that are contained within the northwest region. I've pointed out the size of the farms and the number of farmers. If you take a look at that vote, it amounts this year to a projected \$2,070,000. In the northwest region, which has the largest number of farmers and the largest number of farms in the province of Alberta, the amount of dollars being allocated for advisory services in vote 4 is not, by far, close to the

top that is being provided to the six agricultural regions in the province of Alberta. In fact, the percentage increase in 1985-86 that is being allocated to the northwest region is the smallest increase that is being allocated to the six agricultural regions in the province of Alberta.

I know full well that the competency and effectiveness of John Tackaberry, the regional director, and the fine team he has assembled there, a team that was partly put in place by Mr. Bill Dent, who now serves as an assistant deputy minister in Alberta Agriculture, is a true reflection of that. But I sincerely hope that it's not simply a matter of providing fewer services to my constituents and the constituents of those MLAs I mentioned a little earlier. So that's a matter I raise again, for the second year in a row. I sincerely look forward to an explanation from the minister with respect to that.

A second item I want to raise deals with the manner in which his department deals with, I think, the most important institution we have developed and created as a provincial government since 1981, and that's the local agricultural development committee. These committees exist in all parts of Alberta. They act as advisors to Alberta Agriculture, to the Minister of Agriculture, and all the members of this Legislative Assembly. I think they are men and women of high quality, of high competence, and they are very, very close to what's happening in the local area. A year ago I raised a concern that it appeared to me that some sectors in his department were attempting to nullify the important role the men and women who serve on our many local agricultural development committees across the province might want to play. In fact, a year ago a position was taken by certain people in his department that they should meet less frequently, that they should be, by the very correlation of that, less in tune with what's happening. I think that's very negative. That is not the approach we've always taken as a provincial government. I think we have to do everything possible to upgrade the status of the men and women who serve on our local agricultural development committees. They're outstanding leaders in the field of agriculture in the local areas. They're closest to the people we serve, and I think they've demonstrated their leadership ability for many, many years to come.

In fact, I'm really proud of one agricultural development committee that serves the area known as improvement district 15. It's essentially the area of Fort Assiniboine to Whitecourt. That little agricultural development committee periodically writes to the President of the United States and provides him with advice, and surprisingly, the President of the United States has even written back to them. They tried to write to the Queen a couple of years ago, but somebody in Canada Post intercepted their mail and said, "You can't write to the Queen." Instead they got a response from the Governor General of the country of Canada, because I guess that's the way the system operates.

Once again I want to re-emphasize to the Minister of Agriculture the very important role that these men and women play as advisors to all of us who are deeply concerned about agriculture in this province. I sincerely hope that there will be no further initiatives, in fact that there will be a negation of the earlier initiatives taken by people in his department in the past year in dealing with the roles played by members of our local agricultural development committees. Nearly two years ago the agricultural development committee for ID 15 was talking about the need to take a look at a fertilizer rebate program. Several days ago the Minister of Agriculture was in the unique position of

being able to stand in this Assembly and announce that our new farm fertilizer price protection plan, amounting to some \$47 million, will now be instituted by the Progressive Conservative government in the province of Alberta for the benefit of all our producers in the province of Alberta.

In many ways I want to commend and congratulate many of my constituents who spent a great deal of time working on such a proposal and plan and for conveying their thoughts on this plan to such important national agencies as the Canadian Federation of Agriculture and many of the commodity groups in our province. They have also taken the initiative of writing, of course, to the federal Minister of Agriculture and the Prime Minister of Canada to convey their thoughts to them about the need for the federal government to go hand in hand with the initiative taken by our Minister of Agriculture and our government in ensuring that Alberta producers have the lowest possible input costs of producers anywhere on the North American continent. Of course, that initiative is simply one more in a long series of initiatives introduced by this government that are most unique.

In terms of input costs we should not ignore the important role that this Assembly played in working with the Minister of Utilities and Telecommunications in bringing forward, with renewed vigour, the natural gas price protection plan, a program that provides important benefits to producers in all parts of Alberta and is in addition to the primary agricultural rebate plan, which of course was announced in the budget. I'm glad to see that it was announced in the budget and will be continued for a period of several more years. Those initiatives are all very important.

I would like to make several comments with respect to agricultural interests and the role that interest rates play in terms of input costs and the whole agricultural sector. There's no doubt at all that any responsible agricultural group in our country is most concerned about the credit policies that are being inflicted upon agriculture. Unfortunately, I'm a little concerned that there may be some danger that the general public may come to resent or not really appreciate the special needs of farmers in that regard. So, Mr. Chairman, I would like to spend a couple of minutes on that one subject.

If the general public came to the conclusion that agriculture was somehow being provided with special initiatives and incentives, they may come to the conclusion that that reaction is an unfair one and they may come to the point of starting to resent the initiatives that have to be taken by governments to assist farmers. Farmers need support today. They need the understanding of urban people. They need the understanding of urban consumers as never before.

Food in this province and country is available, it is of the highest quality you'll find anywhere, and it's relatively inexpensive. When you look at all the statistics comparing what a food basket costs in Alberta and Canada, I think most consumers will appreciate that they are better off today than they ever have been. In 1971 the average food basket cost \$29.10, and it took approximately eight hours and 24 minutes to recover the number of dollars necessary to pay for that food basket. By 1977 the average food basket cost \$50.81; however, the amount of time required by an individual to pay for that food basket had been reduced to six hours and 50 minutes. While food prices may have escalated a bit in recent years, wages have also escalated to a point where it's dramatically easier to buy your food today than it has ever been in the past. I think that is an important consideration.

Farmers suffer from seasonal impacts that require a heavy capital output at specific times of the year. I think the strongest argument that can be made for special credit policies for agriculture, however, lies in a ratio of investment to return. The revenue to asset ratio for farms could be as low as 1 to 5 or 1 to 10. This means that a farmer with an investment worth \$1 million will take in anywhere from \$100,000 to \$200,000 a year. On the other hand, in the retailing business the revenue to asset ratio can be as high as 2 to 1 or 3 to 1. In other words, a retailer with a \$1 million investment can expect to gross some \$2 million to \$3 million a year. This means that a farmer has only one-tenth the ability to pay off debt as compared to other industrial sectors. To put it another way, a 1 percent increase in interest rates hits a farmer 10 times as hard as it hits a businessman in another sector of the economy. Mr. Chairman, this difference in revenue to asset ratios is not something the farmer can do anything about. It's a result of the nature of his business and the size of the land base required to produce food.

It's really important that all members of the Assembly, whether they represent an urban constituency in downtown Edmonton, Calgary, Medicine Hat, Lethbridge, Red Deer, Grande Prairie, or Fort McMurray, recognize the important role that agriculture and farmers play in our society. They have to recognize that they are being extremely well fed for a very poor output on their part. That is less by way of a question to the Minister of Agriculture and more by way of a point.

Mr. Chairman, I am concerned about what appears to be a definite lack of progress on the Canadian national scene with respect to a program that this Assembly and government feels is very important for our red meat producers in Canada. That is the national tripartite agreement or commitment. In 1984 we heard that initiatives would be taken by the federal government to put in place a national tripartite meat arrangement for producers throughout the length and breadth of Canada. Last fall we heard that the new federal Minister of Agriculture would be introducing legislation in the Canadian House of Commons in that regard. In the early months of 1985 legislation was placed, but as we sit here on April 3, 1985, my belief that this program is going to come about appears to be waning in terms of some of the reaction and some of the feeds that I've been getting out of our national capital. I would like the minister to clarify what the latest news is with respect to the introduction and passage by the Canadian House of Commons of a national tripartite program for red meat in this country.

I'm particularly concerned how it might affect the hog producers in the province of Alberta, who were told to be patient, to wait several months, and see what happens out of Ottawa with that national program. If the federal government will not in fact move with respect to this program, then the responsibility will clearly rest on the shoulders of the men and women in this Assembly to make good the commitment we made some time ago to the hog producers in this province that if a national program were not forthcoming, an initiative would come forward from this Assembly. However, Mr. Chairman, I fear that if a national program does not come, then agriculture in Canada will balkanize itself to a greater degree than it has ever been balkanized in the past. One of the great arguments that our producers in the province of Alberta make, particularly those who are in the hog industry, is that they are the only hog producers in Canada today who do not benefit from some form of subsidy.

I find subsidies absolutely appalling, but we're currently in a situation where one province has artificially come into the marketplace by providing a certain type of subsidy, incentive, rebate — call it what you like — and it has put the producers in that particular province at a tremendous advantage to producers in other provinces across the country. The Treasury of the province of Alberta is a strong one. We all know that. We heard the Provincial Treasurer talk about it in his overview statements. We've all talked; many of us have participated in the budget speech debate. We know that if Alberta wants to get involved in a war with other provinces in this country, those other provinces are going to be very hard-pressed to keep up. But such a war would be a disadvantage to all the producers of not only this province but this country. I fear that if the federal government does not move forward with its national tripartite meat program or programs, we in fact are going to be in a position to once again get involved in the marketplace on a province-by-province basis. I think it will be to the total detriment of agriculture in this country. So that is another question I would like an update on from the Minister of Agriculture.

I think it's important as well that all members of this Assembly recognize that this Assembly has in the past had the courage, the conviction, and made the necessary decision to get involved in assisting agriculture where and if needed. If all members would refer to those back pages in the white paper *Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990*, they may be surprised to know that in 1975 this Assembly took an initiative called the cow-calf loan program. In 1977 some \$8 million was provided in interest subsidies. In 1976 the Assembly came back with a cow-calf subsidy program, and nearly \$42 million was provided to the cow-calf industry. In 1979, in initiatives taken with the feed freight assistance program, over \$6.4 million was allocated and provided. In 1980 the public grazing land improvement program was initiated in a major way, and some \$40 million has been or will be invested over the next number of years. In 1980 and '81 the emergency stop-loss hog program provided some \$28.25 million by 1982 to the hog industry. In 1981 we invested nearly \$141.5 million in the beef cattle and sheep support program. In 1982 we initiated the Alberta pork producers market insurance plan, and that cost the public of Alberta some \$10 million.

The reason for outlining these items, Mr. Chairman, is essentially to now bring you to a cumulative. If you take a cumulative figure in terms of the subsidies and assistance that have been provided to cattle since 1975, the year I talked about, that total comes to \$237,800,000, whereas the total subsidy to hogs comes to \$38,250,000 — about one-eighth. However, if you take a look at statistics provided by Alberta Agriculture in terms of the gross farm value of cattle and calves in 1981, the value is \$1,076,000,000. If you take a look at the total gross farm value of hogs in 1981, that figure is \$203 million. In other words, cattle production and the cattle industry has a total value of about five times as much as the hog industry, but in terms of subsidies and assistance it ranged up to nearly eight times as much. I think the question of fairness has to be addressed at this time.

I would like the Minister of Agriculture to bring us up to date as well on what the current issues are in the hog industry in the province of Alberta and what news he has received from the Alberta Pork Producers' Marketing Board with respect to their ongoing concern and attempt to resolve

the question and ownership of Fletcher's. I would like him to bring us up to date on any other new initiatives he has had with respect to America and dealing with the initiative that America has recently taken with their countervail. Several days ago we were told that that countervail per pound was something like 5.2 cents. It's my understanding that that was a figure that crossed the wires of the media and that it is really not quite as high as that. I think clarification on that point is very important.

I would also ask him to explain to me and all members of the Assembly how it is that hog prices have dropped so dramatically in the last number of days since this word came out of Washington that America was going to charge some 5.2 cents per pound against Canadian pork, and particularly against Alberta pork, which is not subsidized, which puts Alberta pork in an even worse position than pork in other provinces. How is it that even the marketplace has dropped 5 cents or more per pound? Certainly the buyers, the brokers, are not attempting to take advantage of this American countervail and the confusion associated with it. I wonder what the role of Fletcher's is in providing a fair return to the pork producer in the province of Alberta. It's a firm owned by the pork producers in this province. Why is it not bidding more for hogs? Or is there something there that I've missed and don't quite understand?

I think we have to be concerned as well about the position of the Alberta cattle feeder industry. I'm really pleased that Mrs. Bobbie Sparrow, the new MP for Calgary South, raised that issue in the Canadian House of Commons several days ago and pointed out her basic concern with respect to what was happening in terms of the movements of Alberta replacement cattle in the United States market since the beginning of this year. From January 1 to February 25, 1985, some 7,377 head of feeder steers and heifers were exported because of the lower cost of production and better investment returns. But one of the points that MP Sparrow was pointing out is that the cost is a result of the direct grain freight subsidy that is being provided to railroads. There was a production disadvantage of something like \$35 per feeder. Perhaps the Minister of Agriculture could bring us up to date on whatever initiatives there are in that regard.

I think the Minister of Agriculture also needs to explain to this Assembly what position and role he has taken as the minister and what role his department has taken as a result of new tariffs that the European Economic Community has put on a certain type of production emanating from this province. We all know that the best honey production in the world comes from the province of Alberta. We all know as well that Ireland and other countries in the EEC have been allowed to export beef from their countries and import beef into our country. Recently the new federal Minister of Agriculture placed a poundage amount that would be permitted into our country. But it's my understanding that in direct retaliation and reaction, the European Economic Community has slapped a tariff against honey coming from this province and this country into the EEC. I repeat again: the status and the role of the honey industry in this province is very important. We have the best honey in the world produced right in Alberta. It's a product that I think is being shipped directly from many manufacturers to brokers in Europe without having to go through a whole series of intermediaries, and some of them are being very hard hit by tariffs, which I understand have increased as much as 50 percent. Some traditional markets in Germany and France are now being lost because of that.

When we talked about agriculture a year ago, we talked about the need to address a very great amount of attention

and concern to this whole question of eating habits of Canadians. We all know that the people's network, the CBC, ran a series of very disastrous programs in the fall of 1984. One of their major programs basically told all the people of Canada that if you eat meat, you're going to die from this and from that and you're going to have high cholesterol and a whole bunch of other stuff. What you've got here is a general reaction from some groups and some sectors and some people that are basically telling us, who are meat eaters and who have now grown to be six feet tall and a slim 182 pounds, that we are somehow going to disappear into the woodwork and something is going to happen to us. Several years ago, the Minister of Agriculture took a major initiative with the Alberta Cattle Commission in providing dollars — we provided dollars — to point out to people the merits of eating meat.

We all know that per capita meat consumption in North America has decreased rather significantly in the last number of years. But I was appalled to find out that February 1985 was the first-ever Meat Makes Sense month across the country of Canada. All the major players in the meat industry in this country somehow got together and said, "We're going to really tell the consumers of Canada how important meat is." Incredibly, I didn't find out anything about this until the month of February had gone by. I really think it's important that the Minister of Agriculture perhaps send a letter or two to some of these major national groups — the Canadian Pork Council, the Canadian Sheep Council, the beef information centre, the Canadian Meat Council, and Agriculture Canada — and suggest to them that if we're going to have another meat awareness month in February 1986, perhaps they might put a little more thought into how they're pointing out and spreading the good news and the merits of what it is to eat meat and what the benefits are to Canadians. Far too many Canadians have the perception these days that meat may not necessarily be good for your health.

As well, if we fired off a good hard letter to the CBC show *Marketplace* with respect to that terrible program they aired in Canada on November 14, 1984, they might get the message that if they want cheap food, they had better start responding and supporting the agricultural industry, not only in the province of Alberta but in the country of Canada.

The last point I would like to make, Mr. Chairman, deals with an update in terms of the role Alberta Agriculture is playing with Alberta Education in working towards the development of an agricultural curriculum that might be offered in the schools of the province of Alberta. As one of the primary industries in our province, agriculture has to play a greater role in the curriculum of the schools in our province. All members will recall a very important motion brought to this Assembly in the spring of 1984 by the Member for Ponoka, talking about the need to re-emphasize the importance of agriculture and the need to have more agriculture taught in our curriculum. I know that some initiatives have been taken, but I would like the minister to bring us all up to date in terms of the latest proposals. I appreciate that we have a secondary studies review committee right now looking at the curriculum for the secondary system of education. I appreciate as well that there are real demands in terms of how much our children can learn. But I think it would be very important if attention were given to agriculture in the existing curriculum. Of course, the ideal would be to have agriculture taught as a subject separate unto itself within our school system. It is

important not only to the children of Barrhead. It is as important to the children of Calgary and Edmonton as it is to the children of Fort Macleod.

All in all, Mr. Chairman, the initiatives of the Minister of Agriculture are those that I can support. I think the Minister of Agriculture has agriculture etched in his brain on a day-to-day basis. Surely he cannot get up in the morning without thinking agriculture and he cannot go to bed without thinking agriculture. He has a tremendous challenge, and I think he would think less of us if we didn't suggest to him that there are even more challenges available to him. I ask for responses to the questions I've raised. It will be my intention to get up further during the estimates of the Minister of Agriculture. I think they are simply too important to let go without all members ensuring that the Minister of Agriculture has the best advice he can give.

I want to assure the Member for Drayton Valley that a consensus can be reached if we all follow basic principles of entrepreneurial integrity, free enterprise as much as we can, and the least involvement with the marketplace. But we should never forget that if other provinces in Canada are manipulating the marketplace and are providing and ensuring that their producers will be in an advantageous position in competition with the producers of Alberta, then we have no choice but to get involved. We have no choice but to come out firing with all bullets, both Colt .45s going directly and as hard as possible. Our producers need the best.

Thank you.

MR. HYLAND: Mr. Chairman, that's a tough speech to follow.

Mr. Chairman, just some comments on the Department of Agriculture estimates, first on financing and the previous discussion on having low interest rate loan financing for farmers. If my figures were right during my participation in the throne debate, it would take something in excess of \$300 million to finance lower interest rates for farming if we subsidize the rates according to those given by ADC right now. If they have 20 percent of the financing in the province and we're spending about \$70 million subsidizing their rates right now, that multiplied by five comes to a considerable amount of money. That's only subsidizing at the rate that ADC does. If we were to lower it, I think it wouldn't be far wrong to say that the total amount of income from the revenue of the trust fund would be needed not just to finance but to pay a lower interest rate loan. If we had a fund that provided all the financing — if my memory serves me right, there is \$5 billion, or thereabouts, of agricultural debt. So a little less than half the trust fund would be needed to be put in place to finance all agriculture in the province.

My question to those who suggest that would be: are they going to go out and tell their constituents and their friends who have Alberta Home Mortgage Corporation loans, "Pay up, boys; we need the money automatically, or we'll take you out of your house and sell it"? This kind of thing would be needed. You would need to close out a lot of existing deals in order to raise that kind of money and finance that kind of operation. I know it sounds good in a lot of ways, but that's just a small portion of agriculture. Also, it's just agriculture and not small business. It's just the tip of the iceberg. As has been said in this House many times before, I think the real need in that case is to encourage the federal government to change their policy on the way

they allow interest rates to rise rather than trying to come up with other methods of total funding to cure that problem.

Mr. Chairman, I know that many of the programs we have through ADC and many of the changes to those programs we have had in the last year have helped many farmers, but there is the group whose net worth is just over the allotted amount. In many cases they are having just as many problems as the guy below it. I guess it follows the old story: no matter where you draw the line, there's somebody above it or just below it who has an equal problem. So every time we expand that line at something, we must be careful. There are a number out there and that number will always be out there. They'll keep on pounding away as best they can. I guess the key is to help where help is absolutely needed and not in any way interfere and make it tougher for those who are just above those lines to hold onto their farms through the financing they have.

Mr. Chairman, today I asked the minister questions related to the sugar industry, and many comments have been made about that. I am very disappointed in the action of the federal government in sitting on their hands for such an important industry. They keep saying that they will think about it again in two weeks' time. In two weeks' time we could well be seeding beets. With the high cost of putting in an acre of beets, it's not a very good time to be thinking about something and expect the farmer to gamble on what may be there for the fall. When the minister made the announcement and outlined how the provincial government would support that industry, it showed the priority and importance the provincial government places on that industry. It's ironic that a provincial government has to take a major, leading role in an industry that has the national importance that sugar has. All the countries in the world with the exception of Canada have a policy relating to sugar. It's the provincial government that had to take the major, leading role in assisting that industry.

Mr. Chairman, in the time I spent at home in the last day, I heard many comments relating to the fertilizer assistance that was offered. It has helped and is going to help many people. The one thing — and I'm as guilty of it as any, I guess; I just used it when I was making comments. It's about calling them "subsidies" to farmers and agriculture. I wonder why it seems to be in all our vocabularies. If it's assistance to agriculture, it's called a subsidy to the farmers. If it's a subsidy to another level of industry, it's called an incentive formula. It's not right to call assistance to other industries "subsidies". They're supposed to be called "incentive formulas". When we come to talk about agriculture, it's called a subsidy. I think that's something we need to change. I suggest that many of these agricultural programs are not an incentive to the farmer; they're a subsidy to the public, who want a cheap food policy. We heard the numbers outlined by the Member for Barrhead about how much time it takes to fill a food basket compared to a number of years ago. I guess most farmers agree they would take their chances in the marketplace if they got fair value for their product and wouldn't need a bunch of programs around that disrupt that market. But as long as we have a policy related to preservation of cheap food in this country, that problem is going to exist, at least in some form or another.

Mr. Chairman, with the forecast from the Department of Agriculture, federal and provincial, of the possibility of extensive grasshopper outbreaks, especially in the southern part of the province, and with the problem that occurred

to many farmers last year — and I think it even happened to the Minister of Agriculture. He sprayed a number of times for grasshoppers, and it ended up that the spray cost far more than the crop they got off. We had some discussion about that during the tour of southern Alberta. I wonder if thought has been given to assisting, maybe through the counties, expanding the program that was in existence at one time, to see if it's possible to do something about the outbreak of grasshoppers. They can harm far more than the crops. They get into the parks and everything, and everybody is going to suffer for it.

Thank you.

MR. MARTIN: I guess I won't be able to go on for as long as the Member for Barrhead, but I would like to make some remarks. I take it we will be coming back on certain things.

Just some general remarks about the perception I have about what is happening in rural Alberta. From time to time the minister and I have talked about it, and I know he is concerned. But it comes back, Mr. Chairman, to the reality that I perceive many farmers are telling us about, and of course it comes back to Spirit River-Fairview. Just to talk about net farm income generally, I think the minister would recognize from his own figures that there's been a rapid decline in net farm income: as I recall it, 22 percent two years ago, down 16 percent last year, and projections that it might not necessarily be better. I know that some farmers are coping well with the recession. But what is frightening to me, Mr. Chairman, is the fact that it's the younger farmer, the ones we need for the future, who is perhaps in the most difficulty.

Mr. Chairman, I say this not necessarily to be negative. As the minister is well aware, we've advanced a number of proposals, as we did in the election, and I commended the minister the other day for his announcement on fertilizer. I think it was a good move. But as I said at the time, Mr. Chairman, that in itself is not going to turn around the whole sector. I know the minister is well aware of that. But it's not just from us. Whether we agree or not, I'd like to allude to Unifarm, because I know the minister has seen their annual presentation to the provincial government. It was given to the members of the caucus committee on agriculture. Some of the things they say in here are rather startling. Whether the minister agrees or not, I think he would say that they are startling in terms of what they are saying. For instance, they talk about farm cash receipts from the sale of agriculture products; they've remained fairly stable in the 1980s, but they say that they've remained stable simply because of expensive on-farm inventories that have been sold off. They give some figures here, Mr. Chairman. The value of farm inventory declined by \$72 million in 1982, \$212 million in 1983, and a staggering \$372 million in 1984 according to Alberta agricultural statistics. As they say, if we take declining inventory and prices into account, net farm income has dropped to the lowest level since 1971. However, if we compare the 1984 figure to previous years in real dollars, it was the lowest in decades. Now, that's what an organized farm group is saying, and I think the minister is well aware that there are people from all political stripes in Unifarm. This is an organized body that's making that claim.

The other area that startled me somewhat on reading this, Mr. Chairman, is that according to both federal and provincial estimates Alberta farmers will be worse off in 1985 than farmers in any other province in Canada. While

all the other provinces will be showing some signs of gains in agriculture. Alberta farmers can expect to see a decline in net farm income of about 30 percent. That depends on interest rates, which none of us can predict, energy prices, and prices of farm produce.

Mr. Chairman, the point we make — and I was going to come to it today when we raised it, if we had had more time — is that the increase in the gasoline prices has an effect too. There should be some concern from the government on that part of it. They go on — and we'll have to come back to this — to compare us, as the minister is well aware, to the depression times in terms of real net income, about \$41 million to a 1931-40 average of \$37 million.

I raise this — and I have to conclude relatively quickly, but I'd like to continue later — to say that what I see sometimes, not necessarily from this minister, and what frustrates people is that it doesn't seem to be recognized by the government. There is that frustration out there, and certainly we picked it up in the by-election, and I expect the minister is picking it up in other areas. The problems are real out there, not for all farmers but for some. As we come to the end here. I would like to continue with it at some further point. The first point I would make is that we had better recognize the reality of what's happening in rural Alberta. I think we're both concerned about that.

Mr. Chairman. I'll conclude there and come back on it.

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

[Motion carried]

[ Mr. Speaker in the Chair]

MR. PURDY: 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. I move the Assembly now adjourn until Monday, April 15, in accordance with Government Motion 9, passed earlier today.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[At 5:28 p.m., the House adjourned to Monday, April 15, at 2:30 p.m.]