

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, March 26, 1987 8:00 p.m.**

Date: 87/03/26

[The House met at 8 p.m.]

MR. SPEAKER: May the hon. Member for Edmonton Beverly briefly revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. EWASIUKE: Thank you, Mr. Speaker. It's a pleasure for me this evening to introduce to you and to members of the Assembly, six members of the 135th Girl Guide Company from Clareview. They consist of Tiana Shaske, Kathy Stogrin, Kirsty Hannah, Rhonda Turnbull, Samantha Healy, and Michelle Morgan. Also with the girls is the leader, Judy Shaske. I'd ask the girls to rise and receive the warm welcome of this Legislature.

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **GOVERNMENT BILLS AND ORDERS**  
(Committee of the Whole)

[Mr. Musgreave in the Chair]

MR. DEPUTY CHAIRMAN: Will the committee come to order please. Mr. House Leader, did you want to . . .

MR. YOUNG: Perhaps we could proceed in the order of 24, 25, 26, Bill 2, and then Bill 8 if there is time.

**Bill 24**  
**Appropriation (Interim Supply) Act, 1987**

MR. DEPUTY CHAIRMAN: Are there any comments or questions to be raised on Bill 24? Hon. Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I'll keep my remarks very brief. This is just the interim supply Bill. I'd noticed that the Treasurer, when he was introducing this the other day, mentioned something about it being approximately a third of the annual budget. I can't help noticing that it's much more than a third; some \$4 billion is more than a third of just over \$10 billion. The numbers do fluctuate quite a lot. In fact, at least one of them I checked was over 50 percent, but I assume that was something the department put forward with the idea that they would somehow need that. Since we are limited to 25 days debate on the budget, I can't help wondering why we needed such a large percentage, but I guess the Treasurer is just allowing himself plenty of margin.

There was one other question I wanted to ask however. We thought at first that this Bill might incorporate the government warrants promised and, I assume, partly spent, announced by the government on at least two occasions I can think of after the House finished sitting in September. We found out the other day by our questions and by the minister's answer that this Bill does not in fact incorporate government warrants. Now, I would take it then that since this Bill doesn't and 25 doesn't and

26 doesn't, you haven't introduced a Bill yet to cover government warrants.

I would just like to go on record as saying that it's our view that government warrants should hardly ever be used. They are meant to be used as emergencies, and if they are going to be used, the government should take the first possible opportunity to have them approved in the House. So I would like to urge the Treasurer with all possible speed to get us a Bill covering the government warrants that have been used since the House broke up on September 18 last fall.

MR. CHUMIR: I just have one brief question for the minister, Mr. Chairman, and that is that I note section 1 of the appropriation Bill refers to the concept of "defraying the . . . charges and expenses of the public service from April 1, 1987 to March 31, 1988." I was wondering why it was necessary to use the full fiscal year rather than to provide for expenses up until some earlier period of time, in light of the fact that we are considering the budget during this session. For example, why does it not provide for expenses up to June 30 of this year?

MR. DEPUTY CHAIRMAN: Are there any other comments that members wish to make? Mr. Minister.

MR. JOHNSTON: Mr. Chairman, I certainly hope the member doesn't believe that I misled the House by simply indicating in my calculations that the approximate appropriation of the interim supply Bill would near 33 percent. I have to indicate that in fact he's right. It isn't 33 percent. It's close, but it's not 33 percent. And I appreciate that the member has been doing his homework. I mean it's an important responsibility to run these calculations to ensure that it's not 33 percent, it's some other factor therein. That's a major job for him to do, and I hope he keeps up that good work, because when he's doing that kind of analysis he's leaving the big issues to others, and that's essentially what is happening here.

Mr. Chairman, the actual calculation, as I look at my notes here -- some projects, because they require additional cash flow because of the timing, are in fact a little higher. Some are about 50 percent, others are below 50 percent, some are 41 percent, and some are 37.5 percent. So there are variations depending on whether or not the various user groups need the money. That's how it's done, and I certainly apologize if I in any way am believed to have misled the House in my rather casual comment that in fact it was 33 percent.

With respect to section 1 that the Member for Calgary Buffalo refers to, as a lawyer I'm sure he can probably use these legal words as well as anyone. What this section simply says is that in that year of expenditure which begins on April 1 and ends on March 31, '88, there will be some defrayal. I think the word is -- that's not exactly the word, because I'm in a gerund form here -- some defraying of the expenses in that period, and it's simply by specific terms as to what period of expenditures we're referring to. The specific period is from April 1, 1987, to March 31, 1988, and it will be those expenditures which take place within that period that in fact are referenced by the \$4 million.

With respect to the special warrants, Mr. Chairman, as I've indicated before, they will be before the House anon.

MR. DEPUTY CHAIRMAN: Would the minister like to report the Bill?

MR. JOHNSTON: I was so enthralled with the debate on percentages that I forgot, Mr. Chairman.

Mr. Chairman, I move that Bill 24, the Appropriation (Interim Supply) Act, 1987, be reported.

[Motion carried]

**Bill 25**

**Appropriation (Alberta Capital Fund)  
Interim Supply Act, 1987**

MR. DEPUTY CHAIRMAN: If there are no comments or questions, would the minister like to move Bill 25 be reported.

MR. JOHNSTON: Mr. Chairman, I move that Bill 25, the Appropriation (Alberta Capital Fund) Interim Supply Act, 1987, be reported.

[Motion carried]

**Bill 26**

**Appropriation (Alberta Heritage Savings  
Trust Fund, Capital Projects Division)  
Interim Supply Act, 1987-88**

MR. DEPUTY CHAIRMAN: Mr. Minister.

MR. McEACHERN: I just want to record that I'm sorry the hon. Treasurer couldn't understand my logic yesterday in explaining the difference between an asset and an expenditure. For a Treasurer he's a bit slow, but maybe he'll catch on eventually.

MR. DEPUTY CHAIRMAN: Do any other members wish to comment or raise questions with the minister?

MR. JOHNSTON: Well, Mr. Chairman, the hon. member of course begs debate, I would say, but since the hour is late and since it's been a long day for all of us and since there will be many opportunities for me to balance the books, so to speak, record an asset equal to the liability you just established, so to speak, I will in a magnanimous way move that Bill 26, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1987-88 do be reported.

[Motion carried]

**Bill 2**

**Daylight Saving Time Amendment Act, 1987**

MR. YOUNG: Mr. Chairman, if there are no questions, on behalf of my colleague the hon. Attorney General, I would move that Bill 2, the Daylight Saving Time Amendment Act, 1987, be reported.

[Motion carried]

**Bill 8**

**Real Estate Agents' Licensing  
Amendment Act, 1987**

MR. DEPUTY CHAIRMAN: Any comments or questions on Bill 8?

MR. WRIGHT: I had some comments about it at second reading, Mr. Chairman, and in accordance with my remarks on that occasion, I move an amendment on the Bill. [interjection] Yes, although I can speak to the purpose of the amendment perhaps before hon. members have the details. I just remind those who were not here yesterday or were here and were not listening that this isn't a political essay or being niggling. I remind members that the object of the Bill is to do what is the commendable thing to allow the real estate agents' profession to regulate itself, subject to overseeing by the superintendent of insurance, and thus relieve the public service of the burden of the testing and regulation which hitherto it's had.

However, there is a whole area that is of primary concern to agents and real estate salesmen that sits outside the set-up for regulation, and it is the real estate co-operative listing bureau limited. They are the multiple listing services. For 95 percent of the licensed salesmen of residences this is what really counts, and if they get turfed out of that organization their livelihood is shot for practical purposes. Yet it isn't dealt with in the formal mechanism of the Act as it exists or of the amended Act as it is currently proposed. So the amendment I'm moving, Mr. Chairman, will bring the multiple listing bureau within the purview of the supervision of the superintendent. It will also do a couple of other things: provide for lay representation on the board of the Alberta Real Estate Association. Perhaps they have lay representation already. We haven't heard about that, but it will ensure that that is the case. I think all hon. members will agree with the idea there, which is common to all the self-regulating bodies now. Also, it will provide the superintendent with the power to oversee the actions of the subordinate tribunals in the same terms that they themselves have.

I think that beyond that, Mr. Chairman, the points in the amendments are self-evident. I was perplexed a little by the speed with which this particular Bill has been brought on, and I gather it is because it is a good thing in principle and was thought to be noncontroversial -- as it is in principle. But it's my respectful view that the whole area of the multiple listing bureau, which is extremely important -- and if anyone were interested, I could go into the details of why it is; suffice to say that it is of prime importance to the people at the working level. I suspect that the Real Estate Association itself and the subordinate real estate bodies in the main centres are quite happy with the way things are. Yet it sometimes works very harshly on the people at that level.

Now, I know that the minister, Mr. Chairman, has not had time to run this past those who would be primarily concerned or to do the consulting that, if not necessary, is certainly polite and expedient. So there would be no offence taken at all if this matter was set over to some time that is still within a reasonable time limit from the government's point of view, for further study.

Thank you, Mr. Chairman. [Two members rose]

MR. DEPUTY CHAIRMAN: The Member for Calgary Buffalo, I believe, was up first.

MR. CHUMIR: Thank you, Mr. Chairman. My apologies to our leader for being quicker. It rarely happens. I too have some comments with respect to the fairness to real estate agents, and I think the minister would be very interested and very sympathetic to the concepts I have in mind.

I'm concerned with the issues relating to fairness in refusing an initial licence and canceling or suspending a licence after it

has initially been granted. I've had some experience on related matters in the city of Calgary dealing with bylaws regulating taxi drivers and other professions, and it was my experience some three or four years ago that the process was very unfair in the sense that hearings were not required prior to cancellation of those licences or suspensions of licences. I spent a great deal of time dealing with the taxi commission and the city licensing commission, and I'm happy to advise that my submission with respect to the defects in that legislation were by and large accepted and provisions were put into those bylaws and rules regulating the professions under that legislation in order to protect the individual whose livelihood was involved. I emphasize livelihood because we sometimes forget -- and this is a continuing defect I see in our legislation -- that it is actually a livelihood. It is a job, the capacity to earn a living, and there are very few things more important. Accordingly, it's fundamentally essential that we provide the maximum protection in terms of due process to see that the right thing is done. And the right thing should be done sooner rather than later.

The defect with the whole scheme of this legislation is that all of the right things are to be done later in the most efficient and most expensive way to the applicant, and the later is by way of a court application ultimately preceded by an appeal process. But the real concern I have is at the early stages, and that is that there can be a refusal of a licence by the association without any hearing whatsoever, without giving any information or reasons. In the meantime the individual is without his licence, without his livelihood.

That same situation pertains with respect to the superintendent, and indeed section 7.2(2) provides specifically that

The Superintendent is not required to afford the applicant the opportunity to make oral representations or to be represented by counsel if he affords the applicant adequate opportunity to make written representations.

I need not tell the minister that that is totally inadequate, and I can't see the reason why there should be such a narrow construction of the right of due process on the part of the applicant. In the instance that I would suggest to the minister, in the case of both the initial application and the subsequent review by the superintendent, that there be specific provisions in the legislation protecting the right to a livelihood providing for the right to a hearing, and that full and complete information with respect to any possible objections or reasons for denying the application be made available to the applicant real estate agent at that point of time.

Insofar as the cancellation or suspension of licences is concerned, I would point out a concern that I have, Mr. Chairman, with respect to the existing section 8(1)(e) that provides -- this is important stuff -- for cancellation or suspension of a licence of an agent in the well-defined and precisely defined legal terms of "when it is in the public interest to do so." I don't know what that means, and I'd be very interested to know if the minister knows what it means and can explain to this House what it means. And if we don't know what it means, why can a licence be suspended on such vague and flimsy grounds? I submit it's absolutely unnecessary. If there are reasons why a livelihood is to be lost, surely the general parameters and tests can be set out in the legislation, as they are in so many other ways, with precision.

I would similarly comment on section 8(e.1)(v) which provides for the potential cancellation or suspension of a licence when an agent

fails to remove a sign offering real estate for sale or

lease within 10 days after the expiration of the listing.

Certainly there is obviously some evil that is intended to be met by that provision, but perhaps the provision might more explicitly provide for some wilful aspect and provide for the tainted motivation that would justify the strong action of removing the right of livelihood even for a short period of time.

Finally, there is the new subsection (j) to section 8(1) which provides, if I interpret it correctly, for the cancellation or suspension of a licence

on the occurrence of such other conduct by an agent or a salesman relating to a trade as is prescribed in the regulations.

I would submit that we should not be providing for loss of livelihood in regulations. Surely the ingenuity of the government's draftsman should be adequate to provide for the general grounds specifically in the legislation.

Those are the general comments I have with respect to the Bill, Mr. Chairman. Thank you very much.

MR. DEPUTY CHAIRMAN: Member for Westlock-Sturgeon.

MR. TAYLOR: Mine's very short, Mr. Chairman. I'm not sure just how the procedure will work. But sometimes even the slowest of governments, and this is one of the slowest I've ever seen, can move with lightninglike speed in disposing of a Bill before you get a chance to move. As I recall, some of this particular minister's Bills last summer went very fast at times.

I'm interested in a subamendment to the amendment put out by the hon. Member for Edmonton Strathcona, but I would have to know from the minister first just what does exist in the form of lay membership on the real estate board. So I just wanted to put my caveat in if the minister didn't mind, and rather than gum up the Chairman's job, I think I'll wait and then maybe get a chance to a subamendment if that doesn't turn out to be exactly the way we want it to be. Because I don't feel his amendment is quite strong enough when it calls for lay membership. I think it should be a little more explicit. However, it may be redundant once we've heard something from the minister.

MR. CHUMIR: Mr. Chairman, perhaps it was implicit in my earlier comments. Perhaps just for comprehensiveness, however, I might note that once again, unless I've missed it somewhere, there is no provision for a hearing and giving of reasons in the event of the cancellation or suspension. That is an equally important proviso. And of course I'm sure the minister is aware that the right to hire legal counsel, at great expense, some months after the licence has been refused or canceled is little compensation to an individual who is out on the street and without a livelihood. As I alluded earlier, I have seen some cases of extreme hardship by self-governing associations which have been totally improper, and these concerns are not merely hypothetical but I think are ones which are very, very substantive and real in my estimation.

MR. McEACHERN: Mr. Chairman, I would just like to ask a question about procedure here. I had rather expected that the minister might get up at the start of this and give us some kind of a reaction to some of the questions we raised the other day. And certainly before we cut off debate -- what I'm saying is that I'm hoping she's not waiting for all of us to finish and then ask to stand up and close debate, because I want a reaction from her on a number of these issues raised by my colleague and by the Liberal Party. Then one would like to perhaps have a chance to

comment after that. I'm sure that the procedure of Committee of the Whole allows for that, but if we sit down and wait for her to speak, we may find the debate over, and I would find that very regrettable.

In fact I have a number of tilings I want to say, but I think some of them would be redundant or unnecessary if we had a reaction from her on a number of substantive issues that we raised in debate yesterday in second reading and in the amendment and in points raised today. So really I'm waiting for the minister, I guess you might say.

MISS McCOY: Point of order, Mr. Chairman. It seems to me we're confusing the procedure here. I thought we were speaking firstly to the amendment, and then the Member for Calgary Buffalo seemed to expand into the Bill itself. It does seem to me that points -- and I thank the Member for Edmonton Kingsway for his courtesy in raising the points in the debate on second reading. Nevertheless, the point-by-point discussion is meant to be in the Committee of the Whole, and if he wishes to raise those questions today, then I would be prepared to respond in debate. Whether they are on the amendment that the member from his own party has brought forward or on the main Bill, I have no quarrel with him. Nevertheless, this is Committee of the Whole, and the details are to be discussed here. I say again, thank you for your courtesy in bringing them to my attention in the earlier stage, but nevertheless, Chairman, perhaps you would like to regulate the proceedings in the accepted manner.

MR. DEPUTY CHAIRMAN: For the benefit of all members of the committee, we are dealing now with the amendment. Perhaps the minister would like to respond to some of the questions, and then you will have an opportunity to ask some more, because I'm sure the minister will not move to close debate until you all have an opportunity to express your concerns.

Would the minister like to respond to some of the comments on the amendment, or would you rather wait to hear from the Member for Edmonton Kingsway?

MISS McCOY: I'd like to speak to the amendment, if I may. Again I say I appreciate the courtesy of the Member for Edmonton Strathcona, for he indeed had delivered to me at roughly 5 o'clock this evening a copy of his amendment before he presented it, and I thank you for that.

I also appreciate his comments regarding the speed with which we are operating, and I would like to say to my own caucus that there are some issues on which I would appreciate the same speed in dealing on certain proposed Bills.

That aside, now I wish to comment on the general thrust. I too am very much interested, and that is why I am bringing this Bill forward, to the working level of this particular livelihood. The points that have been raised in the amendment bear some consideration, and I think it would be foolhardy of us to proceed with too much dispatch in this area.

The Member for Edmonton Strathcona has raised the point of the relationship of the Alberta Real Estate Association and its delegated powers with what are commonly known as the real estate boards. The real estate boards are, however, governed by their particular statute, which is the co-ops Act, because that is how they are incorporated, and I would point out that it is probably better to work through that statute to address this particular concern. Also, given that the basic organizing principle of the co-operative is for the members themselves to regulate themselves, which is a principle we are all agreed upon, I think we

ought to work through that statute and the mechanisms that exist through that statute, including the director of co-operatives, before we proceed any further.

One area that seems to have been confused is: we are talking about delegating the ability to license or not license agents by the Alberta Real Estate Association. Suspension or deprivation by a licence except by refusing to issue a licence are not in fact being delegated to the association. The superintendent's powers are preserved, and I would point out the provision in section 7.1(1)(b), which is found on page 2 of Bill 8, which speaks to the superintendent's delegation of his powers or some part of them, which states that he may

impose such conditions on the Association's exercise of the delegated rights, obligations and functions as he considers appropriate.

It would be there that the control point is inserted.

There has been much made of the principles of natural justice, the practice of fairness in proceedings. Those will be dealt with at that level. I can assure you that the superintendent, under my direction, will impose such conditions as are appropriate to ensure that the doctrine of fairness or natural justice is indeed inserted into any proceedings that the association holds. And they will be required to hold proceedings.

The Member for Calgary Buffalo stated that I might have some sympathy for his cause, and indeed I particularly do. I have particular sympathy for him in his cause as he has a leader who from time to time promotes Taylor-made amendments.

I wish to lay something to rest, as he would presumably like several things to be laid, and refer to public membership. The Member for Edmonton Strathcona has proposed an amendment which would have public membership on the board of the association. I would say that the intent is a good one, but I think it's not focused quite properly. Where I believe you do need to have a public representative is on the tribunal or the panel that is indeed addressing the livelihood issue -- that is to say, whether you can or cannot have a licence. Those panels, as I say, will be a part of the procedures that are required. So it is in the composition of the adjudicative tribunal that we do want to ensure there are certain representatives, one from the public.

It is our suggestion, and as I say, we've pointed out how we can make our suggestions stick. It is our suggestion that that sort of tribunal would have three members. One would be from the public; one would probably have legal training, particularly in the natural justice with a regulatory sort of background; and one would have some experience in the industry itself, so that there would be sufficient experience and, one would hope, knowledge in a panel composed of those interests to bring true fairness to the adjudication.

Those are my comments, Chairman, on the amendment itself, and having made them, I would urge the Assembly to vote against the amendment.

MR. DEPUTY CHAIRMAN: I would like to point out to the Member for Edmonton Kingsway that the person that closes debate on the amendment will be the Member for Edmonton Strathcona. So the Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. Just a few comments then. It would seem to me that the Member for Edmonton Strathcona by his amendment has raised enough substantive issues that the minister might consider delaying her Bill a little longer. I think it is slated for third reading tomorrow. And although she has sort of said she doesn't really want to ac-

cept these amendments, I think they do raise enough serious questions that she needs to take a second look at her legislation.

You said that these panels which you just described -- and there would be three members -- would be the ones that decide on licensing. I guess that's an important consideration, and to have laypeople on those panels would be important. I take no quarrel with that. But should not the board itself have a representative of the public, maybe several representatives of the public, at least one or two people with strong, say, civil rights backgrounds who might be able to keep the association on track as to being concerned about clients?

I think that too often and too easily associations that are formed -- and I could quote, say, the associations that govern lawyers or doctors -- can become self-centered. I mean, after all, one tends to look after oneself and one's friends first and to sometimes forget the public interest. Whether that happens or not there is a tendency for it to happen, and you have to really be on guard to stop it from happening. So to just put a lay member on the licensing board doesn't seem to me to be adequate. What about the problem of clients who are involved in complaints with an agent and then that complaint gets taken to the board for resolution? What are the rights of appeal and to whom? Now I realize they could probably bypass that board and go to the superintendent, but nonetheless that board itself should have some laypeople on it, as we indicate in this resolution.

So it would seem to me, Mr. Chairman, that the minister might not move to the next stage with this Bill at this time and take a little more time to get a little more feedback and sort out not only the problems raised by this amendment but some of the other problems that have not been discussed yet tonight.

MR. DEPUTY CHAIRMAN: Is there any further debate or question on the amendment? If not, would the Member for Edmonton Strathcona like to close debate?

MR. WRIGHT: Mr. Chairman, I'm sorry to say that the honourable and learned member, the minister of corporate and consumer affairs, is not bringing to the amendment proposed quite the consideration I was hoping for.

She says what we can all concur in, that she is concerned with the interests of the peon -- she didn't use those words -- the peon at the bottom, struggling to make a living, and has to wrestle with what may or may not be valid points of discipline at the level which will disentitle him or her to practise as a real estate salesman or even agent. I point out that for 90 percent of the salesmen, it is the multiple listing bureau that rules their life. And the minister says: but that is incorporated under the Co-operative Associations Act -- which is correct -- and therefore this superintendent, whatever he's called, of co-ops should be the one to regulate the proceedings.

But it doesn't work like that, Mr. Chairman. Once the superintendent of co-operative activity. I think is his name, has passed the constitution for a co-operative association, that's it. Then it's on its own. And providing it makes the annual returns, then it's just up to it to proceed in the way that its constitution requires. And if a member, whether an agent or a salesman, has a complaint, then if he or she can't straighten it out in the course of the activity within the co-op, he or she is left only with the alternative of going to court. The courts have ruled that in effect the requirements of natural justice do not apply to these co-ops. that they don't have to give reasons before their decisions to refuse to admit, on the completely impractical grounds that it's

not a monopoly, because in theory you can obtain employment anywhere outside the multiple listing bureau.

So to say that we leave it to the superintendent is not, with the very greatest respect to the learned minister, the answer. And if one is truly concerned with protecting the people who are working in this profession, not only must the formal structure of the real estate boards in the localities, which I suppose are associated in some manner with the Alberta Real Estate Association, be brought into the ambit of the superintendent's power but also the multiple listing bureau, and that is the main point here.

But the learned minister makes another point, Mr. Chairman, which is that perhaps the idea of lay membership of the board is misdirected; it should be lay membership of the tribunal that deals with the licences. I remind the minister that in the case of the professions of medicine and law the requirement is that whatever they call the bench of the College of Physicians and Surgeons, the board there, has a lay member, and the benches have a lay member in the case of the legal profession. Then it's up to them to decide whether they need lay members on the disciplinary tribunals within those organizations. So I think the same rules should apply across the board, if I can use the expression, and the same is the case with the other self-regulating professions now, where the lay membership requirement is in place. I believe it's just the governing boards or benches of those organizations that have to have the lay membership.

The learned minister speaks of the superintendent still having the licensing power. Well, that may be, if that power is not one of those delegated. But the Bill before us contemplates total delegation or almost total delegation of all the powers, including the licensing power and mainly the licensing power, so that to say that that is not so important because the licensing power will remain with the superintendent is not the scheme of the Bill, Mr. Chairman. And so I'm disappointed that the minister will not take some time to look into what I most honestly and sincerely tell the Assembly is a real problem in view of the legal decisions that have come down respecting the multiple listing bureau and yet the effects that they have on the lives of the ordinary workers in this profession. [The Member for Calgary Buffalo rose]

MR. DEPUTY CHAIRMAN: I'm sorry, Member for Calgary Buffalo. The debate on the amendment is closed. Question on the motion to approve the amendment.

[Motion on amendment lost]

MISS McCOY: I rise to close the debate on the Bill.

MR. McEACHERN: I'm sorry, but we still have a chance to debate the whole Bill. There are a lot of other questions, as you said yourself.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Kingsway.

MR. McEACHERN: Thank you. It was a matter of procedure as to whether we talked about the amendment or a number of other things, and I realize that the Member for Calgary Buffalo was getting into other things beside the amendment, but it was not for me to bring him back to the amendment. And so now we have done that, but we are now on the full Bill. There are a number of other questions that were raised in the debate yesterday that are not incorporated into this amendment, so surely the minister would take a few minutes and answer some of those

other concerns.

MR. WRIGHT: Speaking to the Bill, Mr. Chairman, the other point I made at second reading was that in order to know what we're really talking about, we ought to know what the articles are of the Alberta Real Estate Association. We don't know that. We don't know what we are subjecting people who will be caught within the jurisdiction of that association when this Bill goes through. Doubtless it all can be regulated by the regulations that the Lieutenant Governor in Council is empowered to pass under the Act and even by the minister's own powers proposed under the Bill. But it would be helpful if at least the minister will tell us what the government or she has in mind in the way of the setup for the Alberta Real Estate Association, to ensure that justice can be done, insofar as articles can ever do that, along the lines that the Member for Calgary Buffalo has spoken of.

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

MISS McCOY: I rise then to close debate, Chairman.

MR. DEPUTY CHAIRMAN: Could we hear from the Government House Leader.

MR. YOUNG: Mr. Chairman, I would move that the Committee of the Whole rise and report and beg leave to sit again.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MUSGREAVE: Mr. Speaker, the Committee of the Whole has had under consideration the following Bills and reports the following: Bill 24, Bill 25, Bill 26, Bill 2. The committee also reports progress on the following: Bill 8, and requests leave to sit again.

MR. DEPUTY SPEAKER: Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Those opposed, please say no. Carried.

[On motion, the Assembly resolved itself into Committee of Supply]

head: **COMMITTEE OF SUPPLY**

[Mr. Musgreave in the Chair]

#### **Department of Agriculture**

MR. DEPUTY CHAIRMAN: Minister of Agriculture, do you have any opening comments you wish to make to the Committee?

MR. ELZINGA: Yes, sir. I do have have a few comments. I'd like to take this opportunity to briefly share them with the House, and I believe our associate minister also has some

thoughts she would like to indicate to hon. members. It is my plan also to respond immediately to any questions or concerns that are put as it relates to our departmental estimates. But just in leading up to what I have to say, I would like to take this opportunity to acknowledge a group of fine people that are in the members' gallery who have been so, so helpful to myself and my colleagues within the Chamber during my 10 months of being provincial Minister of Agriculture. I would have been truly lost without their valued support and wisdom that they have conferred to both myself and our associate minister, and I did just wish to take this opportunity to publicly pay tribute to an outstanding group of individuals who dedicate themselves on a regular basis. I thought that in the event the hon. Member for Westlock-Sturgeon asked any intelligent questions, which is uncommon for him, but if he did, I should make sure I know the answers.

But let me review our estimates and do so in a general way. I do so on the basis that we acknowledge, too, the difficult economic restraint that we as a government are facing ourselves. It's no news to this Legislative Assembly that we have encountered a budgetary deficit as it relates to government expenditures in excess of \$3 billion this past year, and that has come about because it has been such an uncertain year as it relates not only to the economic climate in agriculture but also in energy, whereby this government, the people's representatives, have faced a shortfall in our projections as it relates to oil revenues. I just mentioned that so that we do take our budgetary considerations in perspective as it relates to the revenues that we have as a province.

We acknowledge, and we've underscored that acknowledgment in our budgetary proposals by a contribution and a commitment of close to \$5 billion to the agricultural sector within the province of Alberta. But we also acknowledge that this is done so on a short-term basis. We're looking at agriculture on a long-term basis, whereby we're hopeful that through both bilateral and multilateral trade negotiations we can offset some of the detrimental impact that the European Economic Community and the Americans have caused us by their huge subsidy programs. But we also acknowledge that we have to, as level best as we can, counteract those difficulties.

We also acknowledge -- and it's so important to remember -- that we have an obligation to counteract those huge budgetary deficits, because one only need look at what happened at the federal level, whereby now in excess of 25 cents of each tax dollar goes simply to service that national debt. What it results in is a reduction in the delivery of programs to our citizenry, and we want to make sure that that money is spent on the program delivery aspect of government operations rather than simply to service the debt.

Mr. Chairman, agriculture plays such an important role in our Alberta way of life, whereby one out of every three individuals are either employed directly or indirectly with the agricultural sector. The approach this government has taken to support the agricultural sector is threefold. I will go through those threefold approaches and then elaborate somewhat on them.

Firstly, as our Premier has indicated on a consistent basis, we're going to do our level best to place a safety net for the agricultural sector through stabilization programs and insurance programs.

Secondly, we're going to do our level best to reduce input costs, acknowledging that we are playing on an international playing field. There's very little we can do as it relates to the pricing of the majority of our agricultural products, but we do

recognize that we can play a very instrumental role in the reduction of input costs. I'm going to go into some of the programs that we've outlined in the budget as to how best we are doing that.

Thirdly, we're going to place an added emphasis on market and research development within the province of Alberta. Just to elaborate briefly on that as it relates to the safety net aspect, there are provisions within the budgetary estimates as it relates to stabilization programs. In addition to that, I'm hopeful that within a matter of a few short days we can announce a combined program with the federal government and the sugar beet growers of the province of Alberta whereby again we will have a tripartite stabilization program put in place for this very important sector of agriculture in southern Alberta.

In addition to that, we just had recently completed that excellent study of the hail and crop insurance, and their thrust was threefold also, whereby they wish to -- and I'm just going to underscore one of the major thrusts of that report, whereby they are offering the suggestion for us to offer some type of insurance for cost to production or revenue. Mr. Chairman, we're going to examine that very closely, conduct negotiations with our counterparts in other provinces and at the federal level, because the federal government does have a major role to play in the establishment of whatever upgrading we do do with our hail and crop insurance.

Briefly, as it relates to input costs. One of the first items on our agenda when I was sworn in some 10 months ago was at the direction of the Premier, to make sure that we had the farm credit stability program put on stream. And I remember the criticisms we had from the two opposition parties as to the validity of this program. Well, I'm happy to report, Mr. Chairman, that in excess of 14,000 people have participated to date in this program. The uptake has been somewhere in excess of \$1.6 billion, and it's refreshing to report to the House because I recall questions put by hon. members as to what portion of that fund would be used for refinancing purposes. I offered the suggestion at that time that it was our hope and our projection that 75 percent of that would be used for refinancing. Well, our projections have been more than met, whereby close to 90 percent of that funding has gone for refinancing purposes, and close to 80 percent of that has gone for a 20-year period.

Mr. Chairman, we've continued with our commitment as it relates to the farm fuel allowance, whereby we've maintained that 14 cents per litre differential, that 63 to 64 cents per gallon differential for the farming community, which results in savings of in excess of \$3,000 per farm family. The injection is as projected by the Provincial Treasurer, as it is under his estimates that it's going to be at a cost of some \$97 million. In addition to that the forgone revenue as it relates to the farming population, whereby they do not pay the 5-cent tax, is going to be somewhere in the vicinity of \$40 million.

We have made a commitment to continue with our fertilizer protection program, Mr. Chairman. Our rough figures show us that the fertilizer costs account for somewhere in the vicinity of 30 percent of the cost of production for the farming population, and this program effectively reduces that cost of production by a considerable amount.

We further announced some time ago the extension of the feed grain market adjustment program, which was due to expire. We extended that until the end of June, and July 1 we are coming forward with our Crow offset program, which is going to be costing somewhere in the vicinity of \$47 million. We've also conducted a very extensive review as it relates to the Agricul-

tural Development Corporation, and we look forward with great anticipation to the recommendations of that report as to how best we can service the credit needs of our agricultural sector within the province of Alberta.

On the third point, Mr. Chairman, as it relates to market and research development, I was pleased when I was at the poultry conference we could announce an agreement that we have established with the University of Alberta to the tune of some \$185,000 a year. We introduced legislation for the establishment of the agricultural research institute, which is going to be a co-ordinating body to co-ordinate the activities of research within the province of Alberta, bringing together in a better working relationship the various levels of government, the private sector, and the universities. Mr. Chairman, I also had the opportunity to announce the extension of Farming for the Future, an additional five-year commitment at some \$25 million.

In addition to that we've been very active. You will notice in the budgetary estimates an increase in spending as it relates to market development, because we recognize that we cannot live as an island unto ourselves. That is why we've also placed such a great emphasis on the trade negotiations that are taking place, because from the province of Alberta we ship in excess of \$10 billion worth of goods, \$1 billion of which, slightly in excess of that, is livestock and meat products to the United States, and it creates thousands of jobs. We recognize the importance of pursuing very actively the trade initiative, and we're hopeful that we will meet with success to the benefit of all Albertans, and especially to the benefit of our agricultural sector, so that we will have that assured trade access.

Mr. Chairman, I share with you my deep belief in the agricultural sector within the province of Alberta. We believe in the strength and vitality of this prime way of life. I should also share with you that we are going to continue with our strong support for the agricultural sector as it's exemplified in our budgetary papers, acknowledging that it is responsible for one out of every three jobs within the province of Alberta, either directly or indirectly. And I will underscore what I indicated, too, even though I regret at times that this is the case, that the debate might be a little bit heated within this Chamber during question period. I want to acknowledge my hope that we continue to work with all Members of the Legislative Assembly, because that is my desire. I don't for one moment think that this party is the only party that is blessed with unique and excellent ideas. Any ideas that are forthcoming we're more than happy to examine, and listen, and do our level best to implement what we consider is best for the agricultural sector, acknowledging though that our thrust is going to be on self-reliance, on individual initiative, because that's what's built this province, and we want to maintain those avenues of hope and opportunity within this great province of Alberta.

Just very, very briefly as it relates to our budgetary reduction, and I know I'm repeating myself because we've had a number of questions during these last few days as it relates to our budgetary estimates. It's noteworthy, as I indicated to the hon. Member for Westlock-Sturgeon today, that if you remove the programs that have become redundant within our budgetary estimates, the actual budgetary decrease is in the vicinity of 6 percent. And in the event that the hon. member wishes me to go through that, I'm more than happy to do so.

It's also noteworthy, Mr. Chairman, to note that a good portion of our funding towards the agricultural sector does not come out of these estimates. If you look under the programs as it relates to the agricultural sector, under the Provincial Treas-

urer we have our farm fuel allowance, we have the farm credit stability program, in which an additional \$35 million is committed under his portfolio and his responsibilities. In addition to that we have worthwhile farm programs under the minister responsible for utilities.

But I think I've said enough, sir. I want to leave you, Mr. Chairman and colleagues within this Legislative Assembly, aware of our strong and deliberate commitment to offer support during this difficult time within the agricultural sector. It's interesting to note too, when one looks at the figures as it relates to net realized income for this past year, as to why expenses dropped and net realized income went up. And it was mainly because of government support programs. We're going to continue as we have continued with this commitment within our budget, and I look forward to receiving advice and counsel, as I'm sure I'll receive lots of it from my colleagues while we do go through the process of looking at our budget, item per item.

Thank you for this opportunity to share with you a few comments.

MRS. CRIPPS: Mr. Chairman, it's my pleasure to enter into this budget debate and to represent the vote in 6 and 7. I'd just like to thank all of my colleagues for the excellent advice I've been given over the past 10 months. Believe me, if I'd taken it all, I would have been kept very busy. I'd also like to thank the opposition members for their efforts on behalf of their constituents and our constituents.

I'd like to especially thank the people in the department for all of the assistance I've had over the past 10 months, and I really do appreciate it. I know that there are a lot of people out there working in agriculture for the betterment of the farmer of this province.

Mr. Chairman, specifically in relation to vote 6, which is the ADC or Agricultural Development Corporation. As members will know, the Agricultural Development Corporation began lending in 1972 as a lender of last resort. Then it moved into a young farmer program and an agribusiness program. One of the major happenings of this year was when we lowered the interest on all ADC direct borrowings to 9 percent in conjunction with the development of the farm credit stability program; in fact, not only in conjunction but in advance of, by some months.

There are 9,459 direct farm lending accounts in ADC, mostly young farmers, and 98 agribusiness loans for 69 borrowers. Mr. Chairman, we've had a number of questions in the Legislature on the reductions, and I would just like to briefly outline the reductions that are in this particular budget. The budget for 1987-88 is \$55.807 million. The major reduction is due to a change in accounting from an accrual basis on arrears to a cash basis, and that accounts for \$31.665 million. There is also a reduction of \$25 million in interest subsidization and inventory -- partially that's due to a lower interest on the borrowings and partially to fewer loans -- for a total reduction, including the operating expense reduction, of \$58.417 million. I hope that allows members to understand exactly what the reductions are. In fact, even though there are reductions in the Agricultural Development Corporation budget, there are added improvements for the borrowers.

As members will know, there is an Agricultural Development Corporation Review Committee which has been traveling throughout the province and will be making recommendations this spring, and I am looking forward to them. I know that they had 32 meetings with well over a thousand people attending and a couple of major meetings with agribusiness and meetings with

the farm representative organizations.

With regard to vote 7, Mr. Chairman, there are 40,000 policyholders with crop insurance insuring over 12 million acres. The total crop insurance for the province is \$1.2 billion. Last year the claims paid out to date -- there are still claims outstanding -- was approximately \$125 million. Some members have asked in question period about, again, the 61.4 percent reduction. Members will remember that the reduction is an estimate-to-estimate reduction, not an actual. Last year we estimated the crop restoration program at \$35 million. In fact, we only used between \$15 million and \$20 million, and this year we're estimating that the restoration program will need \$5 million. That's to restore it to 1984 levels, plus or basic.

In 1986-87 we will have to draw \$20 million from the Alberta reinsurance fund because the coverage paid out is more in excess of the premiums by probably that much. Members will wonder about the crop restoration program. Quite frankly I hope that we never need that program again, because the reason we needed it was because of the horrendous problems we had in 1984 and 1985. In crop restoration, actually the average in the province has been restored to very nearly 1984. Of course, that depends on what happens in 1987, but in 1984 there were 8.2 percent of the insurers below basic; in 1987 we expect there will only be 3.8 below basic. At basic there were 18.7. In 1986 -- not '87 -- there were 31 at basic. So there were actually more people at basic in 1986 than there were in 1984. And above basic -- I'm going to be using 1986, because that's factual -- in 1984 there were 73 percent; in 1986 there were 53. So there has been a drop there, but there's an expectation in 1987 that we'll be back to the equivalent 1984 levels.

As members will know, the hail and crop insurance review has completed its report. Someone asked, I think in question period, where they got the input. There was a survey done last summer of 2,400 producers. There were four formal meetings and 39 informal meetings held all over the province. The major concern, both in the surveys and in the meetings that were held all over the province, was the abuse of the program. Number one: abuse. Reduction of coverage due to claims, and especially the drought: many people thought a general drought or disaster of that nature should not affect the coverage levels. I certainly tend to agree, and we'll work to negotiate that area with the federal government. Inability to claim spot-loss, and cost of premiums, of course.

There were three major recommendations, as the minister indicated: individual coverage, which we will certainly be discussing with the federal government in the very near future; disaster insurance at a low premium ratio so that farmers who basically never are able to claim under regular crop insurance could cover their crop for disaster; and the prairie grain revenue insurance the minister mentioned. Just having read an article on the western grain stabilization program, where it doesn't cover farm to farm grain movement or farm to small feedlot, I'm certainly inclined to think that we need to take a very serious look at the prairie grain revenue insurance program as an alternative that will benefit farmers in Alberta.

Hail and crop is a production insurance and not an income insurance, and the prairie grain revenue insurance is a recommendation which would meet the concerns that were expressed throughout the province in that area. I guess the major emphasis on insurance is that it has to be responsive to the various areas of this province, to the growing conditions, to the climatic vagaries, and we will be following through in a negotiation with the federal government and the other provinces to implement as



many recommendations as we can of the hail and crop insurance review committee.

I'd like to note that on March 23, page 277 of *Hansard*, the Member for Athabasca-Lac La Biche in his speech on the budget said:

Let me say that if we were to put a quarter of that money i.e., the \$2 billion that had gone into the oil and gas sector, so he claims,

in the agricultural sector in this budget, we would be seeing that at least in rural Alberta the farmers would have been able to remain on their farms.

Mr. Chairman, I'd just like to point out to the member that if you take a look at the Agriculture budget, the commitment to Agriculture that is in Treasury, in the Heritage Savings Trust Fund, in Environment, and in utilities, we have in fact put half a billion dollars into Agriculture. So I'm really pleased that we've met the member's concern and that agriculture will be in good shape.

I'd just like to say, Mr. Chairman, before I sit down, how much I've appreciated working with my co-partner, my other partner in Agriculture, and I look forward to the comments from the members.

MR. DEPUTY CHAIRMAN: I wonder if the Committee would agree to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Would the hon. Member for Cardston please rise.

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

MR. ADY: Thank you, Mr. Chairman. I'd like to introduce two people here from the Cardston constituency, Monty and Aileen Gibb. They are seated in the visitors' gallery. Mrs. Gibb is here in conjunction with the adult education program. I'd like them to stand and we'll give them the warm welcome of the Assembly.

#### head: **COMMITTEE OF SUPPLY**

##### **Department of Agriculture** (*continued*)

MR. DEPUTY CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. It's a pleasure for me to be able to speak to the estimates of the Department of Agriculture. This year I think it would be appropriate for me -- having, like the two ministers, been in my role for almost a year -- to review that a little bit and look back on some of my responsibilities and activities. I, too, would like to thank the staff that helps me do the work that we do. Although I don't have the resources of two departments to call on to do some work, we do have some very capable people. They're unfortunately much maligned by government members when they feel somewhat defensive about things that we ask them about. They like to poke fun at our researchers and suggest that they're not doing their job. But, I would point out to you that I have at my disposal the resources of one very astute and hardworking person.

I share him with three other MLAs. We have only four full-time researchers on our staff, and that's due to the fact that ... [interjections]

MR. DEPUTY CHAIRMAN: Order.

MR. FOX: They're a defensive lot, but I would just like to take the opportunity to thank the people that worked very hard on our behalf: Jim Grieshaber-Otto, Ross Harvey, Dale Taylor, and some of the people seated in the gallery, and I think it's appropriate.

AN HON. MEMBER: Don't forget the media, Derek.

MR. FOX: The Member for Westlock-Sturgeon will thank the media.

I'd like to outline a little bit though about my role. The ministers' role are quite clear, their responsibility to the farmers of the province and to the industry as a whole. But I don't think that my role is understood or appreciated by members opposite in the way that I think it should be. I have a responsibility in this Assembly as a member like any other, but in addition I have a responsibility as an Official Opposition critic for Agriculture, and it's by way of our British parliamentary system that has a government on one side that represents the majority wishes of the people of the province of Alberta. . .

AN HON. MEMBER: Both sides.

MR. FOX: . . . both sides -- and an opposition that represents the wishes of those who didn't support the government. And in this case it's about a 49 percent, 51 percent split. I think that's often ignored or not fully comprehended by members opposite.

While I don't fully endorse the late John Diefenbaker's idea about what an opposition is -- he said an opposition is to oppose -- I do value that role because I think it's important for me as an opposition critic to be able to understand as best I can the policies put forward by the Department of Agriculture, be able to comment on them in a critical way, and more than that, be able to offer reasoned debate on issues so that I can bring another aspect to it, something that doesn't perhaps come out in the discussions they have around their caucus table and amongst themselves. And I take that responsibility very seriously, Mr. Chairman. I'm prepared, as I'm sure the minister is willing to admit, and his colleagues, that I do give credit when credit is due. When this government has done things that I support, I've let them know it. But I'm not going to be a mindless cheerleader and simply pound my desk every time they do something, because I do have some . . .

AN HON. MEMBER: [Inaudible] change sides then.

MR. FOX: Be patient, be patient. I might point out that in estimates debate last year the Member for Stony Plain referred to me as the Minister of Agriculture. Now he's urging that I change sides. I wish he'd just hold his horses, just hold his horses.

So I've made a concerted effort with limited resources to get to know this industry better, although I've earned my living for some 14 years as a farmer. It's an incredibly vast industry in this province of ours, and it would be remiss of me not to congratulate the minister for the job he did in terms of getting up to speed on agriculture issues in the province. It's a real challenge,

and I think he's fulfilled that well. [some applause] It's about as sweet as it's going to get though.

I've made a concerted effort to get around the province and meet with as many farm groups and producer groups as possible and individual producers so that I can be more aware of what their policy stances are and why they have those policies -- what sorts of things induced them to come to certain decisions -- and also in an attempt to help them understand what our thrust is in debate. I've had the opportunity not only to meet with groups but I've spoken to a number of them too, and I think that it's easy to recognize that there's a considerable variance of opinion amongst agriculture groups about issues. But I was really impressed in almost every case with the amount of thought and hard work that's gone into developing the positions that these different groups hold.

[Mrs. Koper in the Chair]

One of the major activities that we engaged in was a task force inquiry into the family farm and the future of rural Alberta. It was a very worthwhile exercise for me, Madam Chairman, to travel around the province. We held hearings in some 20 communities and solicited input not just from the organized farm groups and commodity groups that have regular access to both sides of this Assembly but to give the opportunity to average Albertans to have their say, to let some politicians know what their opinions are. It was very worth while, and very well received, and I should comment that the former Minister of Agriculture from the province of Saskatchewan came with us for a time and lent some of his expertise. He was quite -- I don't think "shocked" would be too mild a word -- to see that people even in areas where our party doesn't have traditional strength were keen on coming out and letting us know what their opinions and ideas were. And we received a wide variety of opinions on agricultural issues, anything that related to that theme: the family farm and the future of rural Alberta.

Another thing that I was really pleased with in that task force process was the kind of input and concern we got from urban people. And I think it hearkens to a better day ahead, I hope, when there's a greater understanding on the part of urban people about the problems that farm people face. And I was encouraged by that.

We're doing our best with limited and quite severely reduced research capabilities to come out with a report on that whole process. We expect to have it within the next couple of weeks, and I'm sure members on both sides of the House will find it very interesting reading, recognizing that it's difficult to come up with a bible that would prescribe answers for all of the problems in agriculture, especially when you're given so many different alternatives on issues. But we nonetheless did come up with what I think is an excellent document that goes beyond outlining the problems. It does suggest some policy directions and some reactions to things, and I look forward to bringing that forth.

Another thing that we did in the task force process that I thought was very important was have a panel that didn't just include politicians. We had three members of the Official Opposition. The Member for Lac La Biche and the Member for Edmonton Calder joined me on the task force, but we had three representatives from the industry at large, with expertise. There was a Mrs. Barbara Tiegs, who has no association and no close affinity with this party but she has a very deep commitment to the agriculture industry and was willing to put up with a few

New Democrats for a couple of weeks to help us do a better job of an objective inquiry; Mr. Dobson Lea who I'm sure everyone in this Assembly knows was president of Unifarm for a number of years and the chairman of the Canadian Federation of Agriculture, as well as a member of the Canadian Wheat Board advisory committee, and he lent a considerable amount of expertise and objectivity to our task force inquiry; and Mr. Rudy Kiist, a farmer from Lacombe, a director on the Alberta egg marketing board and someone who's had many, many years of experience grain farming on an extensive sort of scale. So it was a good process and I hope members opposite will have a chance to at least consider some of the recommendations made in it.

While getting into looking at some of the things that are included in the agriculture estimates, I should say that because I've not yet had a chance to speak on the throne speech or the Budget Address and due to limited time that seems to be available for that debate I may not have the opportunity tomorrow, I would like to say that the throne speech and the budget represent sort of the one-two punch of this government: this is what we're going to do and this is how we're going to do it. And from the point of view of agriculture, I took a close look at the announcements made in the throne speech, and it was with a bit of surprise and quite a bit of dismay that I noticed very little that referred to the future.

I thought that we again had an example of a government that spent far too much time looking in the mirror and feeling good about the past and not enough time looking out the window and feeling concerned for the future, because virtually every announcement in here, with the exception of the announcement of the funding for the agricultural research institute, which I think the record would show was an idea suggested by the former Member for Spirit River-Fairview, with the exception of that, everything that's announced in the throne speech is either looking back at things initiated in the past or referring to statistics from the past, and very little that takes into consideration the very serious problems facing this industry and facing rural Alberta. My fears, I'd have to say, were confirmed when I saw the budget.

I recognize that for me to refer to the 40 percent cut in budgetary spending for the Department of Agriculture is somewhat unfair, recognizing that a certain portion of that is attributable to a change in accounting procedures for the ADC, and I recognize that. And it's true that there are some programs that don't have a place in this year's budget because they've simply expired. Nonetheless, that does . . .

MRS. CRIPPS: [Inaudible] Keep your fingers crossed.

MR. FOX: I hope there's not a drought, Madam Minister; I certainly do. I think we all do. Those were emergency programs that were meant to respond to an emergency situation and they injected some much needed capital into the livestock industry. But rather than just view that as money saved, a program past and money saved, I wish this government had used that same amount of money or a similar amount of money to come up with some creative proposals for injecting some immediate aid into another sector of our agriculture industry that is really ailing, and that is the grain sector. There was response in a fairly immediate way to some pressures in the livestock sector, but I think we've been woefully inadequate in our response to problems in the grain industry.

I should read some statistics, Madam Chairman, that sort of

frame my remarks. I feel very strongly about the potential and the future of this industry, this industry that's provided me with my livelihood for all of my adult life, the industry that supports the community that I live in and believe in, and the industry that has till now supported my friends and neighbours. But it is an industry that is faced with some very serious problems, and I think we skirt by them at our peril. It's estimated that over 30 percent of Alberta farmers with sales over \$20,000 annually are in moderate to severe financial difficulty -- over 30 percent. There are 20 percent of Alberta FCC loans currently in arrears. The province's lending institution, the ADC, holds close to 600 quarter sections of land in the province. Land values have fallen from nearly \$600 an acre in 1981 to \$300 an acre in 1986, and the slide is expected to continue.

If I might go off on that a bit, I think people who don't know about the industry might say, "Well, that's good; land is getting cheaper; it's easier to buy." But it really does jeopardize a lot of farming operations, and it's mostly to do with the way that banks do their accounting. A lot of land was purchased at those high land values, and it's held as security at those inflated values against the values of those loans, and when the price of land drops, when the value of the land is reassessed, it really affects the leverability of these farmers. Their equity is eroded and they don't have the financial muscle that they need to access additional funds to keep their operations going. So it may make land cheaper for those who are willing to buy it, but there aren't many who are able, and it has jeopardized a number of operations.

I hesitate to quote statistics that come from the Alberta Agriculture statistics branch because they've been found wanting in a couple of instances, I guess, but the most recent ones that I've had access to do indicate that the realized net income for Alberta farmers will decline some 39 percent this year. Grain prices are expected to decline another 20 percent this year, Madam Chairman. The most alarming statistic to me of all, that sort of combines all of these, is that according to the ADC there were some 800 farm exits last year, and by exits I mean farms that have been abandoned either through foreclosure, quitclaim, or bankruptcy. That adds up to 15 farm families a week, and I think it's not just an economic crisis, it's a social tragedy that we have to give some very close consideration of. I lay out those statistics to frame some of the remarks that I might be making as we go on about specific government programs that have been initiated and some that I think ought to.

In reference to the Farm Credit Stability Fund Act, it was a major initiative by this government. I'm not sure the minister's comments were quite fair in that regard, because he mentioned that we on this side had nothing but criticism for the program. The record will show that I urged my colleagues to support that Bill at every stage of debate. I did suggest what I think -- and I'm sure members on the other side of the House did on occasion agree with me -- were some very reasonable amendments to that Bill. Even when those amendments failed to pass the House, I supported it in every stage of debate. And the reason, Madam Chairman, is because we on this side for many, many years advocated the establishment of a program that would provide long-term, fixed-rate, low-interest financing for farmers. It was an idea proposed by this side of the House that was ridiculed by the other side of the House, and I guess I don't feel badly about that, because eventually the cream rises to the top. The good ideas are recognized for what they are. And though they may not be implemented exactly as we had wished, it's proven to be, in most aspects, a benefit to the rural community.

I would be remiss if I didn't refer to the program and how it's influenced people in my constituency, Madam Chairman. I'd like to point out that as of January 22 the Alberta farm credit stability program had advanced 314 loans in my constituency, valued at \$26.474 million. It's a substantial commitment.

I should point out that as an hon. member of this Assembly I'm not to be denied any program that's generally available. And when I undertook to refinance my farm loans last year so that I wouldn't be in a position where I was having to borrow money from a government institution like the ADC or the Treasury Branch, I resisted the temptation to borrow some of that 9 percent money, mainly for one reason: because I feel that with a bit of a steady income for the first time in my life, I can afford to pay a little more. But deep down I was hoping that one of the ministers at some point would challenge me on it, saying, "Well, if the hon. member is so concerned about this program, why did he use it?" But I think they found out that I hadn't borrowed. And although I tried to demonstrate that I can't be outfoxed. I certainly didn't outfox them on it, but. . . [interjection]

I'd like to comment also, before I get away from the farm credit stability program, on some of the people that work for the program, because I think people that work for government often don't receive the kind of credit they deserve. The person who I believe is in charge of that program, a Mr. Ken Moholitsny, has been an opponent of mine in many ways for many years. We played hockey against each other for years. He was a poor goalie, and I was the sharpshooter on the other team. When he was an executive assistant for the former minister and I was the chairman of our party's agricultural policy committee, I was often attacking government programs and he was defending them. So we've always been on opposite sides of the fence, but I'd have to say that I think he's done an excellent job in working on that program, and I found him to be most co-operative and eager to help whenever I brought matters of specific concern on behalf of my constituents to his attention.

A couple of ways that I think the Alberta farm credit stability program could be improved, as it's not too late to do it, is do what I suggested last year, and that is provide a lower rate of interest. Last year at this time, when the program was first conceived by the government prior to going to the electorate with their platform for the election, the interest rates through the federal system -- the sale of treasury bills -- was about 12 percent, I think. That's dropped almost 5 percent now. 4.5 percent, and I think it's shown that the resolution I brought forward in this Assembly last year to provide the loan at a 6 percent rate was far-sighted and prudent. I hope that the government, now that the program's in place and working, would give some consideration to just what mechanism would be required to lower the interest rate a bit, because I think it's really important that if we're going to go to all the trouble to bring in a program like this, that we be able to have a dramatic effect through it.

I notice from the budget estimates that there's some \$35 million allocated for the implementation of this program, which I believe is the true cost in this year of that program. It's an interesting way that the government uses figures. When they want to beat their chest and brag about how much they're doing for the agriculture community, it's a \$2 billion program. When they want to go to the polls and tell urban Albertans how much they're doing for the poor farmer in Alberta, it's a \$2 billion program. But when they're talking about fiscal restraint and the budget, it's a \$35 million program, Madam Chairman, and I think there's a lot of room to provide a lower and more helpful interest rate than that.

I did raise some questions last year about the maximum limit placed on loans. It was pointed out to me by the minister that the \$200,000 limit was arrived at by calculating the average rate of indebtedness of Alberta farms and coming up with something that was a little above that. He's referred in subsequent announcements to the fact that the average loan applied for under the program is somewhat less than \$200,000; therefore, the limit was the right one to set. I might not be as astute a mathematician or accountant as the hon. Provincial Treasurer is, but I can figure out that if the limit is \$200,000, there certainly won't be any applications for amounts greater than that. Therefore, the average is going to be lower, and it doesn't necessarily justify the limit.

I'm not sure if government members did, but in our offices we received a number of complaints from people who weren't able to access the program. I'm not sure if the minister has any statistics about those numbers, but it might be interesting to see how many people brought applications to their banks and had them either refused by the main office or the head office of the banks, because I think there were a number of people whom I spoke to who I think could really have benefited from the program but weren't able to qualify.

One of the things that the government had kind of pegged their hopes on in the implementation of this program is that there'd be competition between the banks for clientele, that if you went to your bank and wanted to qualify under the fairly generous lending guidelines of this program and they said no, you could go across the street and, you know, the virtues of free enterprise would mean you could go to the competition and they'd give you the loan. But I think we recognize that there's been a lot more collusion and co-operation amongst the banks in this country historically, and so that didn't really work. I think, in view of the fact that the money is not all used up, it may be time now to take a look at those who didn't qualify or who the banks said didn't qualify under the government lending guidelines and perhaps see how we can help them.

I'd like to talk a little bit about another major government initiative, although it wasn't this government's initiative, and that is the special Canadian grains program. Because it's often referred to in this Chamber, I think I should comment on it. Well, no one would deny the significant help that a billion dollar injection into the grain economy represents. I think we should also recognize that it was a very partisan political announcement in the way that it came about, in the timing and the way it was handled, and I think it was a very cynical attempt on the part of the federal government to buy votes in Saskatchewan. In fact, they admitted as much in announcing the program, because it was brought forward during the Saskatchewan election, announced in Premier Grant Devine's name, and it left several impressions amongst farmers in this province.

It gave people the impression that there would be a billion dollars in federal money flowing to western Canadian grain farmers who were hurt unfairly by the trade wars that went on between the European Economic Community and the United States of America. They also were given the impression in the announcement that it would be money coming soon, that it would somehow be there to help them pay for the expenses they incurred in planting their 1986 crop. When it was announced in Premier Grant Devine's name, the Deputy Prime Minister was asked why -- why is it associated with the Saskatchewan Premier in election time? And he said, "Anything to win an election." It was right on television, and I was really distressed by that, because I thought it was a very cynical way to treat farmers

in this country who were in serious, serious trouble.

So what did our farmers in Alberta find about this program, and farmers in western Canada? It didn't turn out to be a billion dollars in federal money flowing to western grain farmers hurt by the trade wars. In fact, it was money that was going to be split between Ontario and western Canada -- I think some \$860 million coming to western Canada. And lo and behold, it wasn't going to come now; it wasn't going to all come to help you pay with your 1986 crop. The first portion, the first third of it, came in January, and I suspect that the second two-thirds likely wouldn't be in the hands of farmers till some time in June. So you'll find that it doesn't arrive to help you until after you've had to incur many of the expenses involved in planting your 1987 crop. So again I repeat: it's not to deny the value of the program, and I don't think there's anybody that didn't cash their cheque when they received it, but I think it was a very cynical attempt to buy votes in Saskatchewan, and it ended up being not even half the program that it was hoped to be.

I've urged in this Assembly through the very limited constraints of question period that the minister at the upcoming conference with agriculture ministers advocate further deficiency payments for Alberta's grain producers, because I think they're desperately needed. And I must admit I'm a little disappointed that the minister didn't come out and tell us that he's going to go there and negotiate with his former colleagues in Ottawa with a strong made-in-Alberta stance. He says he's rather going to sit back and wait and see what his former boss tells him the agenda is. I think there's a critical need for immediate and further assistance for our grain farmers, and I sincerely hope that he goes there and negotiates in a very strong way with them on Monday, and I'll be the first one to applaud him if he comes back with something in his back pocket for our grain farmers.

I know the minister is concerned that any program that may come out like that would be market neutral, that it would be in a sense irresponsible for a government to announce a program just before seeding that would influence what people seed. And I can appreciate that, and I think that makes sense, but I don't think that should disqualify us from thinking about a program now. There may be ways of providing that money in a market-neutral way. It could, for example, be based on what happened with last year's payment, taking into consideration the inequities that we've noticed in southern Alberta with irrigation farmers, as suggested by the Member for Little Bow, and the problems of inequities in the Peace River country. So I think there are ways of targeting aid for the grain farmer without viewing it as interventionist.

I'm going to talk a little bit about the increased price in farm fuel that farmers are facing due to announcements in this budget. It's again something that I've raised often in question period. And when the Member for Red Deer North has time, I hope he will go through the *Hansards* and check very carefully, because I have not asked the same question twice. Every question I ask is different and tries to get at something that I think quite important. In spite of the fact that the answers are always the same, it doesn't make the questions the same. And in spite of the fact that other people ask the same questions I ask doesn't mean that they're... [interjection]

I think it's important to take a close look... Madam Chairman, have I gone on for 20 minutes already?

MADAM ACTING DEPUTY CHAIRMAN: [Inaudible]

MR. FOX: My gosh. Ever since people paid me to earn my

living with my mouth instead of my hands, I've certainly developed a surprising expertise at it.

I'll have another chance to speak, I'm sure, Madam Chairman, so I will talk very quickly about some serious problems that I think will be caused by the increase in fuel prices for farmers and some really serious concerns, I think, about the way it's all been handled.

[Mr. Musgreave in the Chair]

I think the government couched the description of this in some very confusing terms. The minister steadfastly refused until yesterday to actually admit that the price was going up on June 1. He would try and say, "Well, the 14-cent-a-litre advantage is being maintained, and farmers won't pay the tax, and the benefit represents . . . blah, blah, blah."

The fact is that farmers are going to pay 43 percent more for diesel fuel on June 1 and 34 percent more for purple gas on June 1. And that is no small increase; that's a dramatic increase. The minister can say that it's an average increase of \$500 per farmer. That may be true, but we're talking about a thing that's going to have much greater impact on grain farmers, and it's substantially higher than \$500 a farm. I might, in this context, rather than doing it as a point of order in question period, give the minister a chance to correct the record, where he said today in question period that "his leader and him indicated that it was going to be an increased cost of . . . \$2,000 to \$3,000 per average farm." That is stated nowhere in the public record of debate in this Assembly . . .

MR. DEPUTY CHAIRMAN: Could the hon. member finish in one sentence?

MR. FOX: It might be a rather long sentence. I'll just finish this thought with . . .

MR. DEPUTY CHAIRMAN: The hon. member will finish in one sentence or else he will finish now.

MR. FOX: With respect, the minister may want to correct the record, because neither I nor my leader did say that. We said that it would cost some people \$2,000 to \$3,000; we didn't say that it was an average. The average figure of \$2,000 came from Unifarm, and I think if the minister wants to challenge figures that are provided by an honoured and respected leader of a major farm organization in Alberta, this Assembly is not the place to do it.

MR. ELZINGA: Mr. Chairman, I just want to reply very briefly to the hon. member, and I thank him for his participation. He was critical of us not looking to the future, yet I didn't hear one example of futuristic thinking from the hon. member. I look at the various papers and documentations that they have put out as it relates to agriculture, and I can't help but say -- and the hon. member was very kind the way he couched it, as he related to some of our distortion of the facts; he attempted to relay that. All one has to do . . . And if the hon. member doesn't know how to read, we're happy -- as the hon. Liberal leader suggested, we'll get him an interpreter. One only has to look at page 85 of the budgetary document as it relates to the farm fuel allowance. Anybody who can't read that, we're happy to help them with the reading of it, if the hon. member requires it.

In addition to that, the hon. member will recognize too, in

their documentation that they released, their so-called speech from the throne, they indicated that farming income was going to drop some 64 percent. They conveniently forgot to include the billion dollar payment that the federal government is coming forward with -- conveniently. And they talk about distortions, Mr. Chairman; that's the party that distorts the truth. I can go through the hypocrisy they dealt with when they dealt with the wage issue for Members of the Legislative Assembly, and I admire the hon. Member for Edmonton Strathcona for standing on principle when his own House leader and members of that party wouldn't. I can go through this documentation too as to your examples as to how you're going to reduce government spending. You're suggesting we do away with programs that we had done away with years ago -- years ago. That's how factual your information is, and I must say I'm disappointed. [interjection] I'm happy to show it. Would you like me to cite it?

The hon. member indicated here consideration should be given to the reduction of the beef cattle and sheep production assistance by some \$30 million, as the emergency program is not needed at this time. Well, we had our people look through it. We had great difficulty in finding those specific programs that the hon. member referred to. We are supposing -- and we can only suppose -- that he is referring to the beef cattle and sheep support program which wrapped up in 1982.

AN HON. MEMBER: That's from last year's budget estimates.

MR. ELZINGA: Well, I wish the hon. member would show it to me then, because I'm willing to take his advice in the event that it's sound. But I just want to point out to him my caution as it relates to some of the advice that we have received.

MRS. CRIPPS: Mr. Chairman, just a couple of points that I wanted to make on the farm debt, because the member said that 30 percent of the farmers -- I think you said in arrears, maybe. There are 52,000 farmers in Alberta, but really there are only 31,000 who make their primary living from agriculture. Of that group, 6 percent are practically insolvent, and there is no question about that; they're very, very difficult. There's another 21 percent that is financially stressed, and 72 percent, or 22,540 farmers, are financially stable in this province. I did want to clarify that. Seven thousand farmers in this province have virtually no debt, and 10,000 farmers have about 80 percent of the debt load. When you're looking at a \$5.4 billion debt, there's no question that some of those farmers have to be practically insolvent.

The member was talking about the land values and the drop in land values being detrimental. No question that the drop in land values is detrimental if you're borrowing money based on your equity in that land, but it's about time that in agriculture we got back to productive value and not to inflationary value. That's part of the problem with the debt in agriculture in this province today.

The member talked about the realized net farm income and the drop in realized net farm income. Mr. Chairman, when you're talking about realized net farm income, that includes the value of inventory change and, quite frankly, the value of inventory change doesn't make a bit of difference to a farmer unless he happens to sell the inventory. Let me give you an example. In January 1986 cows all over this province were about \$500 apiece. January 1987 those same cows are probably valued somewhere between \$900 and \$1,100. So the value of the cattle inventory has doubled, but it hasn't made any difference at all to

the farmers' income.

The other point that the member made was in talking about the future and saying that our budget didn't talk at all about the future. Mr. Chairman, one of the areas in agriculture that we did not cut back was in marketing, and if there's one thing that's important to the farmers of this province, it's to ensure that they have marketing opportunities which will cover the cost of their production and pay a certain amount of profit besides. I'd just love to get into the marketing opportunities we see out there, and I'm pretty optimistic about the possibilities. I know we've taken a lot of time, but I certainly would love to get into that debate with the member.

MR. DEPUTY CHAIRMAN: The hon. Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. To participate in agricultural estimates ... [interjection] I think I'm getting some prompting from the background, but I think that hon. member gets his chance after mine.

Mr. Chairman, to start off, first is a request from constituents for the minister when he is meeting with the federal minister for some changes in the special grains program that was developed by the federal government in the payout to grain producers. That request has come from twofold. One is from the irrigation farmers because of averaging their crops in with the crops of the dryland around, that there's a significant difference in the payouts, and the irrigation producers are about 50 percent short. That equates in the dryland to only about three bushels an acre more. So they have appealed it, I know, but any assistance that the minister can give in that regard would be appreciated.

The second one comes from larger producers. People have come to me and said: "Look, we run a family farm. It may be a big family farm, but we've worked hard at building it; our kids have worked hard at helping us. And now that we're big, government comes out with the programs that seem to be discriminatory against the person who has worked hard to get ahead -- i.e., that there's a cap on the payout -- and that we have the same expense per acre, and that we have more acres so we have more money involved." They feel that the cap should be taken off and that if you have X number of acres and you've worked hard to build that farm up, you get paid for X number of acres because that's what your expenses are rated on. They use the example of the payout on the cow/calf program. It didn't matter how many animals you had or how many head you had; you still got the payout on that program on a per head basis.

Mr. Chairman, that is important to many of my farmers, especially in the Foremost area and up through the Hilda-Schuler area and south of Bow Island, where there are larger farms that have been built, and as I said, they are for all intents and purposes family farms because they are run by fathers and sons. They feel they are being discriminated against in the federal grains program.

Mr. Chairman, I think, too, that we often talk about the agricultural policy of the European Common Market. I would suggest that the European Common Market doesn't have an agricultural policy, but rather it has a social policy, a social policy of keeping farmers on the farm and [subsidizing] them to do so. So let's not kid ourselves. We're not dealing with an agricultural policy; we're dealing with a social policy. I think that makes it doubly difficult in what we do and whatever we can do to change that and to compete in that situation.

Mr. Chairman, to go on to the Alberta farm credit stability

program, I would like to put on record again my support for the program. I'd like to note that Cypress-Redcliff constituency was the largest draw from that program with in total some 486 applicants for \$65,070,833, for an approximate average of almost \$134,000 per loan, I believe second to the constituency of Little Bow. So, as you can see, that program will make a vast difference in my constituency in that those who are able to at least get their interest rate down to 9 percent and guarantee that rate of 9 percent for up to 20 years.

Mr. Chairman, I should note that in the loan taken out by the individual, there were 419 loans taken out. There were 45 corporation loans taken out and 22 partnership loans taken out. So, as we can see, there are at least those 486 operations that have received significant funding, and I suppose if you take the rates that many of them were paying and figure out what they saved in the write-down to 9 percent, it would be a significant increase in the money that they have available for other things in agriculture now.

Mr. Chairman, some words on the crop insurance program, and I hope that we get negotiations under way quickly on the report of the crop insurance review committee and that we can get some of their recommendations in place for the next crop year. I would hope that we can develop a program where we don't need to see any more payout for drought, et cetera, that we can develop the program so that the crop insurance system will cover that if that ever happens again, and develop it in such a way that it isn't on a payout but it's on the insurance that's available there. And if you take it out -- you have that available to you to purchase, and it's up to you to purchase it and to us as government to put it there at a reasonable rate so you can afford it.

Mr. Chairman, I would like to also thank one of my constituents who was on that Crop Insurance Review Panel, Jerry Thacker from Burdett. I think that whole panel did a superb job in moving around the province and listening to suggestions of the industry and putting many of those suggestions forth in the final report.

Mr. Chairman, too, we met a short time ago with the vegetable producers, and they in their mind feel they have a problem with their crop insurance system. I hope that the minister and the chairman of the crop insurance corporation can work with the Alberta vegetable producers association so that we can make that program so that it truly fits the needs they feel they have.

Mr. Chairman, I'd like also to make some comments on an article that was sent to us that I read and happily noted in it that Alberta-made grocery products in the last year -- in '86 sales have increased approximately 4 percent, which turns into monetary terms of about \$33 million in retail sales. I think that's to the credit of the Better Buy Alberta product development and promotion that's been going on, partly paid by government and partly paid by the industry. I would wonder, in this budget, if we are still assisting the industry in that Better Buy Alberta. By what rate are we increasing it or has it remained the same or a reduction of what rate in the new crop year? Because it appears that if the organization is making some inroads into the system and getting in a bigger share of the grocery market, then it's important that we continue to do that and increase our share of Alberta-made products in the grocery market. Indeed, one of the things that's grown in my constituency, especially in Redcliff and the Medicine Hat area, is the English cucumber in the greenhouses. It's important that they continue to achieve a higher share of the fresh vegetable market so that that industry can continue to grow and prosper in that area.

Mr. Chairman, finally, in the free trade, or modified trade, whatever you want to call it, negotiations. I wonder if the minister would care to comment on them and how he sees them affecting agriculture and especially affecting it from the concerns that are expressed by the feather industry and how he thinks it's possible -- and maybe this is hypothetical; I'm asking him to gaze into the crystal ball -- how he feels we can work with that industry to get over the problems they feel are out there with the possibilities of free trade.

Finally, Mr. Chairman, some comments on AADC and the review. I think the minister has responded many times in this House on how before ADC takes any action, they try to work with the person to see if there's any possible way to work out the problems that are involved. I can well remember people coming to me when land prices were high and saying: "I've just got to get that quarter of land. You've got to help me get another appeal so I can get that quarter of land. If I just get it, I've got no trouble paying for it; I can pay for it." Now some of the same people are coming back and saying: "You've got to help me keep it. I can't make those payments; there's just no way I can make those payments." There's a frustration, there's no doubt, and it's important that ADC continues to try and work with these people to work out the problems if at all possible.

I would suggest, though, Mr. Chairman, that if you're more than a year behind in payments, either principal and/or interest, there are few lending agencies that would continue to work with you to work out your problems. I think ADC is one of these agencies where people often get a number of years behind, and they say, "Well, it's because of the lower price, and we need a lower interest rate." If you haven't been making the payments for a number of years, what is a lower interest rate going to do, and how does a lower price affect you because you had the higher price before and these payments weren't made?

The moratorium on debt just scares me. If we have a total moratorium on debt in agriculture, I think the figures that are used of those in agriculture that have problems would increase dramatically, because who is going to lend you money if there's no way that he can get it back? If we were sitting in a bank, we wouldn't lend money out to somebody if we couldn't take assets or chattels as assets to cover the loan. If the moratorium was on, I would think that if we think we've got a problem in agriculture now in financing, just hold on to your hat, because there would be a whole lot bigger problem out there in that those farmers who meet their payments, meet their commitments but still use bank money as operating capital, would all of a sudden find themselves in a situation where they couldn't get operating capital, and it would, I believe, cause a situation that would be far worse than what we have now.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you very much, Mr. Chairman. In going through the estimates, I will do as the two ministers over there asked us to: come up with ideas, I suppose, and some short term and some long term. As the minister well pointed out, one out of every three jobs directly and indirectly is involved in agriculture. My researchers must be reading the same book, because they said 30 out of 100, so that's very close. We can argue about the one-third. It does show the importance of agriculture in the province.

I think we looked at that other area too: that one-quarter of

Canada's food production or over 20 percent of Canada's agriculture and food exports come out of Alberta, so we're a big earner of money for the general population right now. Of course, there's no particular fuss by the national government of earning dollars from abroad. We have surpluses, but there are times when we'll be very pleased indeed to have an exporting sector like the agricultural industry to earn the type of money that's involved. Over \$4 billion worth of food products were shipped out of this province of Alberta in 1986. Of this amount, \$2.5 billion was exported internationally. So over half of what we ship out of the province goes out into the international markets of the world. Consequently, agriculture is, as I'm sure the minister well knows and everyone else in the House gets told ad nauseam possibly, the important industry.

Now, there are certainly problems in agriculture and the agricultural community in Alberta. If you read any of Alberta's history, going back from when we had something to do with getting the Crow rate under way and then the massive change from beef ranching into grain ranching, and then the formation of parties like the CCF or the Social Credit or the United Farmers . . . It goes on and on -- the separatists. If there was a party formed in western Canada, you could always look to the Alberta agrarian area. So agriculture has been in and out of trouble a good many times in Alberta and has also contributed a great deal of original thinking to the whole field of world-wide agriculture.

I know right now we're locked in a bit of a death struggle, you might say, with the U.S. and Europe, but I think that we have to take some pretty heavy thinking because it's unlikely that the U.S. and Europe are going to change their method. Many people here, if they're not descendant, are very closely connected to European people and have been back visiting Europe over the last 25 years. Most people in the House, at least, have had one trip, and I'm sure if they've talked to anyone over there they have found that Europe looks at farming entirely differently than we do. It's a bit of a public utility. And as the member from my old home town, the Member for Bow Island, said, it is a social issue there as much as anything else. They've also been very aware many times, due to war and civil strife, that there have been food shortages. So they vowed many, many years ago that they would never let their farmers down again; they would keep the farmers alive regardless of what.

In fact, today I was interested to listen to a program that said there was 2.6 million kilos of butter slowly going rancid in France alone, and that type of storage for that kind of product gives you an idea. And they don't particularly worry about it. They give some away to some of the emergent nations. In fact, they're quite proud; they've awarded -- the person that got the highest prize last year in France in scientific research was the one that invented how they could use the rancid butter to be mixed in with feed to be fed back to the cows to make more butter. So it's a complete cycle. It gives you an idea just how their agriculture operates, and of course they create these huge surpluses that get dumped over into our market.

The U.S., like Europe, has found that agriculture is really a small part of their total gross national product. So they can go ahead and do their tiling, as you might say, keep their farmers going, because as a cost to the economy as a whole it is not that exorbitant. However, we in Canada can't support our agriculture in the same way or handle it like a utility. We have to use a little imagination.

You can see how difficult the chore is. And although I'm as game as anyone in the game of politics to criticize the two min-

isters of agriculture over there, I think they have a very, very, tough job indeed. I might at times figure that you could put more energy and imagination into tackling it, but you do have a very, very, very tough job. Probably one of the toughest jobs in North America today in politics is being the minister of agriculture for whatever area you have. In fact, it's so tough that maybe you should resign and let us have a crack at it in a couple of years.

Nevertheless, if you spin the globe a minute -- and I'm always fond of using this because I've spent a great deal of my life in different areas around the world similar to agriculture. I've worked in marine work. It seems that being a boy brought up in the prairies equips you for the ocean. It's flat and it has lots of assets that are hard to get out from Mother Nature. But if you spin the globe, it's only in central North America that you see anything going on particularly as far as an agricultural industry where there are people living. Central Africa has little or nothing going on; central Asia has little or nothing; central Australasia has nothing go on; central South America. So, indeed, it indicates to you that we have done something, literally almost made water run uphill, by having an agricultural industry developed in central North America. Of course, this is both in the U.S. and in Canada.

It's been built on a few fairly basic premises that we have to remember and try to protect. One is transportation. We need cheap transportation to get to the foreign markets. As I mentioned, over 50 percent of the food we ship out of this province goes around the world. So our transportation has to be cheap. I'm not sure that this government really has seized that nettle. They are talking very strongly and pushing strongly for the Crow benefit to be paid out in some form of cash to the producers. Now, that I think had some attraction two or three years ago, and I think a lot of people pushed for that. But right now if you were to tell the farmer to get the Crow benefit, I think a lot of them would have to think a bit further, and they would realize that if the Crow benefit is paid out, the transportation rate goes up. It has to. I mean, you got rid of the Crow benefit; you paid it out in cash. So if you talk to a farmer that has just had his wheat prices reduced by 20 percent by the Canadian Wheat Board and suggest to him the possible elimination of the Crow benefit, through it's being paid out in cash, it's going to have a heck of an effect.

So the point is we have to think through very carefully if we really want the Crow benefit paid out here in Alberta, as we've been indicating the last while, or if there's some other method of working it out. Or maybe we should be working out some sort of agricultural produce where transportation isn't as big an element in the final costs, just as we've had to work out in manufacturing. We can't manufacture locomotives in central Canada and ship them over to Europe, because transportation is such a high element of the cost. We've had to go into manufacturing of some very high-technology items like satellite generators and things like that, where the transportation element in the final price is such a small percentage, it then doesn't matter if you are located in central Canada. Likewise, in agriculture we maybe should be looking much more at putting out a very, very high quality product so that the transportation, which is the same for high quality as it is for poor quality, isn't such a big percentage of the final sale price. Just a thought that I put out, if we're doing any research.

We've also depended on agriculture based a lot on our cheap land production. Now, one of the arguments I've often made -- and I know it's opposite to the one we heard from the Member

for Cypress-Redcliff -- is that if it was difficult for the bankers to lend on land, it would not only decrease the price of the land and make it maybe more economical in the long run, although there'd be some suffering in the initial beginning for those that had a lot of land involved. But if bankers could not attach the land, if bankers couldn't seize the land -- this is why I'd come in with a good effective debt adjustment board, and I suggest to the minister that if we made it very tough for the lender to grab the land, then they would start lending on production.

And I think if he would do some looking in Great Britain, particularly in both the agriculture and oil and gas sectors, where it's almost impossible for a lender to seize land -- you can only attach the produce from the land in most cases -- then I think you'd get a more realistic price of land. This is one of the reasons why -- somebody says, "Well, you won't get money loaned if you're tough on the bankers." The very fact is that if the banker had a great deal of trouble attaching the land, then loans would be made on production, and probably we'd be able to dig ourselves out of the hole a little easier.

I think there are a number of short-term problems; some of them are long-term problems. I'm going to touch on them very briefly if I may. The feed grain subsidies: the Auditor General has pointed out quite well, I'm sure both ministers have noticed, that there is something not quite right. As they would say in agriculture: something rotten in Denmark. The whole feed grain subsidy plan has to have a good keen look at because of the type -- of course, now to try to stop some of the bleed off that's going and the farmers in fact raising grain on one quarter section and feeding it to cattle over on the other quarter section, it's necessitating quite an intensive campaign of forms and filling out and looking into the whole project. Maybe the Department of Agriculture could look at it again to see whether it is really as necessary to be as complicated as it is and if it's needed as much. Certainly beef production is something that is doing well in western agriculture, and of course a large part of that is due to the fact that grain has become so cheap.

The 5-cent increase on fuels. Well, I mentioned earlier and I repeat it again, when you're surveying -- why agriculture has done as well in central North America. It's because cheap energy has been the extra hired man; cheap energy, whether it was in the case of the first old oil pull tractors from Rumelys on down through to the modern type that's equipped with four-way speakers and fluid drive and all the rest. The point is that they've all depended on energy. And without a source of cheap labour our western farmers very quickly learned to use the mechanized forms of farming with energy. And the 5-cent raise is nothing more than a sales tax on gas fuels going into industry. I think the minister would get a great deal of accolades and in fact would be cut down from all those lampposts he's been hung on in effigy if he would turn out and figure out some way of converting the Provincial Treasurer into doing without that 5-cent tax. Even something, as I've suggested repeatedly -- if the farmer could come in and prove he paid no taxable income last year, then he should not have to pay the energy tax.

Debt adjustment. I'm a very keen follower of the debt adjustment board. I've done some very good studies on it, written papers, and so on. It's a very ancient practice since the time we first settled the west. There was always thought to be some things that couldn't be taken away from a farmer. It used to be rather cute to read the laws back around the turn of the century before Alberta was created. The farmer, you couldn't take his saw, you couldn't take away his team of oxen, you couldn't take away his hammer, you couldn't take his axe. And, of course, as



time moved on and on. we still have today their modern equivalents. And a debt adjustment board with teeth would be something that would give a great deal of confidence and more sleep, you might say. to the farmer, because it must be a great deal of concern to farmers that a debt could be called almost overnight and they'd lose their home. Because a farmer, unlike a city slicker, when he goes under -- and I know; I've gone under in both areas, so I could give you some pretty good lessons on how to handle the sheriff.

The point is that when you go under in the city, you're allowed \$40,000 equity for your wife, \$40,000 for the husband, \$80,000 equity in the home. They're allowed their car. They're allowed their furniture and things in the home. Those things cannot be touched. When a farmer goes under, his pickup truck disappears because it's a business. His home disappears because it's part of the farm. He has little or no protection, and consequently ...

SOME HON. MEMBERS: No.

DR. WEST: That's not true.

MR. TAYLOR: Sure, the home quarter section will go under too. Okay; well, I'll stand and we'll do some more of that. It's not unusual that I see those three chipmunks say anything together, so ... It's not because it's anything to do with nuts; don't [inaudible] me.

But what I'd want to get across is that the farmer, with a debt adjustment board, which we had with teeth in the '30s -- we need to bring that back. And also what we have to bear in mind is that 70 percent of debt today that is incurred by farmers is to government. It's not to corporations or foreign corporations or eastern banks. Seventy percent of debt in Alberta today is held by government. So it's very important that there be some intermediary, some stage in between, because the most voracious forecloser on the scene today is a representative of government, usually the Alberta government. Consequently, it's very important that there be some buffer between, and I suggest that a debt adjustment board that would have the power to stretch out payments, suspend payments, which we had back in the '30s, is necessary again even more so than it was in those days.

We go on. The associate minister mentioned that the debt wasn't that bad. How many people were free of debt? Now, here again. I would suggest that she check her statistics. And mine may be wrong, but I am told that 50 percent of farmers under 44 years of age are in financial trouble. This has to worry and has to concern us a lot if we're looking at a whole new generation coming along into farming, and they're the ones that are in debt. The old ones that are retiring, that is fond, that we're putting in. Out of debt is fine, but who are they going to sell to? They can't stay there forever. Is it going to be to corporate farms, or is it going to be the newer element? But my figures are that 50 percent of those under 44 -- and I think I got that from one of our largest farm organizations -- are in arrears on their debts. This has to be of a great deal of concern.

While we're at it, Mr. Minister. I'd think that it would behoove your department to take another look at the whole question of the plebiscite and the Cattle Commission. To say, as the minister said, that we couldn't afford it -- really, you know, that's wrong when you say you can't afford democracy: a plebiscite cannot be held because it was either imperfect in the number of names it had or we haven't got a proper record, but to say we can't afford it is foolish. It's the other way around.

We can't afford not to practise democracy, because in effect there are people that are raising cattle in this province that are now being taxed without ever having had a vote on whether or not they could have that tax. The Cattle Commission was put into place, and in general most people think it's not a bad idea. But surely if you're going to get an amount of money taken off your produce each time you sell that produce without a form of some sort of plebiscite on it -- and to be told by your minister that we can't afford it, that it's too expensive, is absolutely wrong. So it's a case of bringing democracy into the marketing system.

Now, he mentioned the Alberta farm stabilization program; here, too, I'm concerned. I believe that you could get some pretty good financial wizards together to look at that, because right now we the Alberta taxpayers are putting up the principal and the interest for all the loans that have been converted over. It would seem to me that rather than have \$2 billion involved in here, we could attract outside capital, maybe even foreign capital, because we'd have control of it. It's some sort of an insurance scheme or an interest subsidy scheme that would cost the taxpayer a lot less than the \$2 billion, because right now we're putting up the principal; we're putting up the whole shot. The ultimate result isn't a bad idea, but the cost to the taxpayer is fantastic.

Surely we could have come up with some sort of guarantees in the interest subsidies area and maybe used funds from abroad or some other area that could have cost the taxpayer a lot less and still had the same effect of giving the farm producer a long-term loan. I might mention, too, at 9 percent, that if interest rates keep dropping, we could be in trouble down the road there too. I think that we should be doing a little thinking about just what we are going to do if prime should for some weird reason drop to 7, 7.5 percent. Who knows? We might have a change of government in Ottawa that could do that. Who knows?

Let's look at a couple of long-term results. I mentioned Europe and, as the Member for Cypress-Redcliff, the social point behind keeping farmers on the land. I think that social point exists here too, because what is the sense of the federal government, for instance, which this government supports, talking about downsizing the number of people on a farm by contributing \$46 million to help move them off the farms? The Europeans have found that there is no particular sense in moving them off the farms to the cities. It's hard enough to keep everybody employed in the cities now.

The same thing applies here. Our cities have a great deal of unemployment, so what is the idea of downsizing from the rural area? Downsizing from a rural area when we've already spent, particularly in Alberta, millions and millions of dollars for everything from curling rinks to composite schools to community schools -- although our Minister of Education is doing her best to try to run those out of business -- and entertainment and recreational services. We've built a whole superstructure in the country for families, and it's a good place to bring up a family; it's a good place to live. Consequently, why this idea of moving them off the land into the cities where we already have unemployment, where we already quite often have overcrowding, in order to somehow or other accomplish the idea of making what they call an economic farm structure?

No. Mr. Minister. I think we may well need those farmers in a number of years. A little research and a little change in the markets, a little change in transportation, change in the financing structure -- what I'm talking about may well result in many, many more people being out there, particularly if we go to a

higher quality product where we are exporting a product that although costing as much for transportation, it will be less of the total price, where indeed we have a system where the financing is set in place that is basically that the farmers are only borrowing on their ability to pay back rather than on the land itself.

No, Mr. Chairman, if I may close off at all, I noticed that the NDP said they had a committee out surveying and they will be coming out shortly with a report. Well, we've already come with a report, which we've sent to you, and it's a tribute to you that you have not criticized it. As a matter of fact, it sounds as if there are some people in your department going through it.

We suggest that there should be a negative income tax or some sort of basic income applied directly to the farmer. Let the free market have more rein, cut down the administration of the thing, and try to apply some sort of basic income to the farm family, much as what we had to do in the industrial family over the last 25 or 30 years. We've gone to enhanced unemployment insurance. We don't sit there worrying about whether the worker is working in an industry that's turning out something or whether we need it. We put the money right at the worker and hope that the worker, maybe given incentives, will retrain, will go into other forms of industry or other types of areas. That type of a program needs to be looked into.

I think, Mr. Chairman, that the minister would find that if he set up a committee of some fair size in that area, they might find that instead of trying to keep farmers and the farm market culture going on practices that started 30 years ago, which was a case of subsidizing the product of farms or the product that we chose of farms, it's a case of actually letting the farmer's imagination and initiative work and experiment rather than the bureaucracy doing the experimenting. But in that experimental process, where the western farmer is trying to find his or her feet, again to get under new ideas, they would have that floor, a two-pronged thing: a debt adjustment board that would make sure they couldn't get repossessed without due process of going through a debt adjustment board; and secondly, they would have a basic income that would just maybe be barely adequate, I know, but it would be enough to carry them over the rough spots while they were experimenting to find out what the world would buy from us and what would be economical and what the land that they were doing.

Thank you very much, Mr. Chairman.

MR. ELZINGA: Mr. Chairman, I just am going to respond very briefly to the hon. Member for Westlock-Sturgeon. Let me indicate to him at the outset that I deeply appreciate the responsible attitude that he has displayed this evening, even though it is uncommon for him. I congratulate him. And when one talks about responsibility, I'm reminded of what Mr. Diefenbaker said about Liberals. He indicated they reminded him of a baby with a huge alimentary canal with a massive appetite at one end and no sense of responsibility at the other.

I just want to indicate to the hon. member that -- and he was referring to the situation as it relates to Europe and their surplus of food products. I come from European ancestry. My parents immigrated to this country from Holland because this was, at that time, a country and a province of hope and opportunity. And it's the hon. member's party that prompted my entry into politics, because I saw that avenue of hope and opportunity and that vision of greatness being slowly destroyed under the Trudeau era, whereby individual initiative was no longer going to be rewarded.

And I share with him the individual concerns that he has

raised. I want to respond specifically. He raised some concerns as it related to the Auditor General's report on the feed grain market adjustment program. I can report to the hon. member that as he suggested, we are implementing, as he is aware, a new Crow offset program July 1, in which the procedures are going to be simplified considerably. And as it relates to the specific questions that were posed to us from the Auditor General, I'm happy to report that our deputy minister responded to the Auditor General, indicating to him that we are going to conduct an economic evaluation of this program. He has also indicated to the Auditor General that we will carry through with his recommendations, whereby as a matter of policy 8 percent of the feed users registered are going to be subject to a field inspection on a random basis, and inspection procedures themselves are going to be upgraded.

Since he took the liberty once again to dwell on farm fuel and he indicated to the Chamber the importance of making sure that fuel costs and energy costs are so important to maintain, it is so important to see that they are maintained at a reduced level, because they are equivalent of a hired man to the farming sector. That's exactly why we continued with our farm fuel allowance. Admittedly, the farm fuel allowance portion is going to be reduced to 9 cents on June 1. But we are seeing that the farming population does not pay that 5-cent tax on gasoline. So the differential is maintained, as is outlined on page 85, and I would encourage the hon. member to read it if he hasn't read it to date.

As it relates to the plebiscite, the hon. member is totally wrong. I indicated that it would have been a costly procedure, but that was not the reason we did not accept the plebiscite.

MR. TAYLOR: Why did you say it then?

MR. ELZINGA: Because I wanted individuals to be made aware of the facts as to what it would cost had we gone ahead with it. We indicated why we did not accept it, but it was because the provisions of section 19 were not met. It was recommended to me that I exercise the provisions under section 20 of the legislation by the marketing council, but I refused to do so, indicating to them that if the legality of section 19 was not met, we were not about to proceed with the plebiscite.

It is our hope -- and on April 1 I plan to introduce legislation into the Chamber as it relates to that legislation. We're going to leave that legislation lie for a short period of time so that the hon. member and all hon. members within this House can examine it and offer their suggestions, plus we wanted to make sure that the commodity groups that are going to be directly affected by that legislation will have an opportunity for input.

I must indicate, too, and I do so with a wee bit of hesitation, but much like the hon. Member for Vegreville, the hon. Member for Westlock-Sturgeon was rather stingy in his suggestions of new thoughts as to what we should do for the agricultural sector. His one proposal that I made note of was to establish a committee. The Liberals are great at establishing committees; this party is great for following through with action. But he suggested we establish a committee to look into what was done 30 years ago. While I acknowledge the hon. gentleman is slightly older than I am, we feel it's important to look to the future.

In looking to the future, I'm happy to report a number of new things that have taken place in the past number of months. One, the farm fuel allowance was due to expire, half of it, at the end of March; it's been extended. Number two, the feed grain market adjustment program was due to expire. We committed an additional \$47 million to it. Farming for the Future: an addi-

tional five-year commitment so that we can have that valuable research done for the agricultural sector, which pays dividends beyond compare. The ag research institute: we're going ahead with that, and I acknowledge that the hon. Member for Vegreville says it was advocated by the former Member for Spirit River-Fairview, and if that be the case, we commend him for his forethought. I have indicated also that we are proceeding, and we're hopeful that we can announce it in the very near future, whereby there will be a signing of a tripartite agreement for the southern Alberta sugar beet producers, something that I know is very dear to the heart of the hon. Member for Little Bow.

We are proceeding, Mr. Chairman, with a number of very important initiatives for the agricultural sector, but I do acknowledge that there's always more that can be done. I want to leave the hon. member with the assurance that we are going to strive to do our level best, in the event that oil revenues are increased, to be more forward and forthcoming for our support, but acknowledging . . . And I've never heard the hon. member acknowledge this yet; he's willing to criticize what we have done, but we've done more for our agricultural sector -- and I don't say this to pat ourselves on the back; I say it because it's so important that we do it -- than any other province within this country. If the hon. member likes -- I see him shaking his head, so I'm just going to go into a few details so that the hon. member is aware of our consistent support to the agricultural sector.

SOME HON. MEMBERS: Spare us.

MR. ELZINGA: Because I can give you a breakdown of actual dollars spent . . . [interjections] Very good. On that note, Mr. Chairman . . .

MRS. CRIPPS: Mr. Chairman, there are just a couple of corrections I wanted to make to the hon. Member for Westlock-Sturgeon. In the first place, if the hon. member would think about it, any prudent lender would lend on production. I mean, good grief, if the production won't pay the bills, what else will?

MR. TAYLOR: Foreclose on them.

MRS. CRIPPS: Oh, come off it. You know, if the member would do half as much research into the questions as he does into being cute . . .

MR. TAYLOR: You're making me blush. Don't tell everybody about it.

MRS. CRIPPS: Okay. In any case, I did not make light of the concern that we have for the debt in agriculture. Quite frankly, I've said in this Assembly many, many times that a \$200,000 debt in agriculture just makes old men out of young men, and you can check *Hansard* for years back. The hon. Member for Vegreville should check *Hansard* too. I just forget what point it was, but go back and read my speeches. I've been saying the

same thing for seven years about long-term stability in borrowing. So it's not new and it's not your idea.

MR. FOX: I've always been on your side, Shirley.

MRS. CRIPPS: Thank you.

Two points I did want to make. One is on the foreclosures. You talk as if foreclosures or quitclaims are done without any consideration for the young farmer. The fact of the matter is that there's every consideration given, and I can go through a list that you might not like to sit there and listen to either. But every consideration is given to trying to help the young farmer work through his problems, and if there's no alternative, only then, only then, are foreclosure . . . Pardon?

MR. TAYLOR: You put him out of his misery.

MRS. CRIPPS: The member says that 50 percent of those under 44 are in arrears. I would venture to bet that most of the younger farmers, or a good majority of them under 44, have borrowed through the Agricultural Development Corporation, and only 20 percent of those are in arrears over \$100, and only 12 percent are in arrears over a year. So I don't know where the member is getting his figures from. In fact, the arrears this year are dropping. They're less than last year. And most farmers continue to meet their obligations. I just wonder about the member's information.

Mr. Chairman, it's late, and I move that we adjourn debate.

HON. MEMBERS: Agreed.

MR. YOUNG: Mr. Chairman. I move that the Committee of Supply rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

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

MR. DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, all in favour please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, if any? So ordered.

MR. YOUNG: Mr. Speaker, tomorrow morning the business will be third readings on the Order Paper and then a continuation of the budget debate, should there be time.

[At 10:51 p.m. the House adjourned to Friday at 10 a.m.]

