

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, April 29, 1987 2:30 p.m.**

Date: 87/04/29

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: INTRODUCTION OF BILLS

Bill 33

**Alberta Cultural Heritage
Amendment Act, 1987**

MR. ANDERSON: Mr. Speaker, I request leave to introduce Bill 33, the Alberta Cultural Heritage Amendment Act, 1987. This being a money Bill, Her Honour the Honourable The Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

The purpose of this Bill is to enhance Alberta's cultural heritage through the establishment of the Alberta Multicultural Commission, the first in Canada. The Bill also proposes to entrench the concept of sharing our cultural heritage and of preserving heritage languages.

[Leave granted; Bill 33 read a first time]

MR. SPEAKER: Edmonton Kingsway.

Bill 264

**An Act to Amend
the Mortgage Brokers Regulation Act**

MR. McEACHERN: Thank you, Mr. Speaker. I beg leave to introduce for first reading Bill 264, An Act to Amend the Mortgage Brokers Regulation Act.

This Bill will simply strike out the clause in section 2 of the Mortgage Brokers Regulation Act which exempts members of the Law Society of Alberta from the Act's provisions.

[Leave granted; Bill 264 read a first time]

Bill 214

Agricultural Refinance Agency Act

MR. R. SPEAKER: Mr. Speaker, I beg leave to introduce Bill 214, the Agricultural Refinance Agency Act.

The purpose of this Bill is the consolidation of existing agricultural debt for individuals. This Bill, Mr. Speaker, would help sincere young farmers whose only fault was that of being caught

in an artificial inflationary land boom to stay on the farm and contribute to the health of Alberta.

[Leave granted; Bill 214 read a first time]

head: TABLING RETURNS AND REPORTS

MR. TAYLOR: Mr. Speaker, I beg leave to file three copies of a Liberal caucus discussion paper on constitutional reform entitled Broadening the Agenda, which we released earlier today.

MR. WEISS: Mr. Speaker, I wish to table four copies of the annual report for the Alberta Sport Council, along with financial statements.

MRS. OSTERMAN: Mr. Speaker, I'm filing a response to Question 132, 1986.

head: INTRODUCTION OF SPECIAL GUESTS

MR. ANDERSON: Mr. Speaker, I'm pleased today to introduce to you and to members of the Assembly, five leaders of ethnocultural communities who are here on this day that we introduce the Multicultural Commission. They are Mrs. Faye Devries, president of the Dutch Canadian Club of Edmonton; Mr. Abdul Remtulla, president of the Ismailia Cultural Society; Mrs. Judith Goldsand, president of the Jewish Federation of Edmonton; Mr. Don Lee, chairman of the Edmonton Immigrant Services Association; and Mrs. Dorothy Onuoha, who is vice-president of the Nigerian Association of Alberta. They're in the members' gallery, and I would ask them to all stand now and to receive the warm welcome and thanks of this Assembly for their contribution to Alberta.

MR. ZARUSKY: Mr. Speaker, I'd like to introduce to you and through you to the rest of the Assembly, the president and four directors of the Smoky Lake Alfalfa Processors plant: Mr. George Kozub, Mr. Steve Kuzyk, Mr. Roy Mandzik, Mr. George Gelych, and Mr. Metro Topolnisky.

Also, Mr. Speaker, I'd like to introduce to you and through you, four constituents from the Andrew area: Mr. and Mrs. Walter Forst and their two daughters, Caroline and Connie. They are seated in the public and members' galleries. I'd ask them to rise and receive the warm welcome of the House.

MR. SPEAKER: Edmonton Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. It's a privilege and a pleasure for me today to introduce to you 33 grade 6 students from the Elizabeth Seton school, which is located in the constituency of Edmonton Beverly. These students are accompanied by two teachers, Miss Fezza and Mrs. Goruk, and by one parent, Mrs. Scade. They are seated in both the public and members' galleries. I'd ask them to rise and receive the warm welcome of the Legislature.

MR. DROBOT: Mr. Speaker, it gives me great pleasure to introduce to you and members of this Assembly, 36 grade 6 students from Glen Avon school in the St. Paul constituency. They are accompanied by one teacher, Mrs. Gloria Zukiwsky, and three parents, Mrs. Janice Zarowny, Mrs. Delores Girard, and Mrs. Joy Gordon. They are here to watch democracy in action. They are seated in the members' gallery. I would like them now

to rise and receive the traditional welcome of this Assembly.

MR. GIBEAULT: Mr. Speaker, I'm pleased today to introduce to you and to members of the Assembly, 47 students in the grade 6 class at Satoo elementary school in the Edmonton Mill Woods constituency. I'm particularly pleased to introduce this group, because I visited this school a few days ago and had a chance to take on your role, Mr. Speaker, as we had a mock debate on the issue of whether or not the government should introduce a new tax of 10 cents on chocolate bars. They're accompanied today by three of their teachers: Mrs. Alice Halvorson, Mr. Roger Langevin, and a student teacher, Miss Mary Mayo. I'd like them to please rise in the public gallery and receive the warm welcome of the House.

MR. SPEAKER: Edmonton Glengarry.

MR. YOUNIE: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly, Mr. Randy Lawrence from the Hinton area, who's on the steering committee of the Coalition for Forest Spray Alternatives. I would like him to rise in the public gallery and receive the warm welcome of the Assembly.

head: ORAL QUESTION PERIOD

Property Tax Reduction Program

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Provincial Treasurer. On April 2 the cabinet quietly amended the property tax reduction regulations to confiscate the homeowner benefit from thousands of mobile-home owners and owners of modest homes. The minimum benefit, which had been relied upon by thousands of working people, has been eliminated, resulting in doubling and tripling of property taxes payable by many people. Will the Treasurer advise the Assembly why he neglected to mention this regressive tax in the budget?

MR. CRAWFORD: We can answer that, Mr. Speaker. The average benefit was about \$80. It's true that many people received the benefit, but the maximum of \$200 has averaged out to the lower figure for most people. I guess there would be some extreme cases where that would be of some difficulty for the people involved. But for a saving of about \$7 million, we thought the average benefit was low enough so that most people could handle it.

MR. MARTIN: That's debatable, Mr. Minister, but my question. Surely this is a budget item. The Treasurer doesn't seem to even be aware of it, at \$7 million. My question is: why was that not part of the budget to begin with?

MR. JOHNSTON: Mr. Speaker, it isn't a question of being aware or not of what was involved in the various elements of the budget. What it does reflect is the way in which this government has formed its budget process, in that we accept the lead and the direction by the ministers who are involved. And in co-operation with the environmental groups that they serve, they set the priorities accordingly. We have to do that in the context of limited resources this year, and that is why in this case that was one of the items that had to be judiciously weighed and consideration given for another option in terms of that expenditure

program, and that's how it emerged. It isn't that we didn't know about it; it's just that you just found out about it from the member across the way now. And he has ample time, Mr. Speaker, ample time to raise it during the debates on the budget, which are still ongoing as far as I know, and it would be a great chance for him to explore and develop his own alternatives as to how it could be handled. That's how it happens. I'm glad to give him a refreshing briefing as to how the process works on this side of the House.

MR. MARTIN: Well, we love getting a briefing about how they do their budget; there's no doubt about this. This was done on April 2. A backdoor: is that the way the budget process works? That's interesting to know. Thanks for the refresher course. But my question, to continue about the tax itself. The homeowner benefit under the property tax reduction plan previously guaranteed minimum benefits of \$200 for persons under the age of 65, regardless of how modest a person's home was. The point about that is that people with lavish homes receive the full benefits.

My question is to the Minister of Municipal Affairs. Will he explain why the cabinet now wants to continue giving the full benefit to the well-to-do, regardless of the cost, and take it away from those such as mobile-home owners whose homes are less expensive? How does this government justify these double standards?

MR. CRAWFORD: Well, Mr. Speaker, the plan is well known by all members, I'm sure. The basic benefit under the property tax reduction program is that the foundation plan levy is taken off. The calculation is that the foundation plan is deducted from \$1,000, and any excess is given as a credit, in the first instance, on the tax statement. So all Albertans share in the property tax reduction. The \$200 minimum benefit was preserved for seniors, and that is appropriate, given the wide range of programs for seniors.

MR. MARTIN: Supplementary question, Mr. Speaker. I've always admired the Minister of Municipal Affairs' ability to skate around the question. I've always admired that. But we want an answer to the question that I'm asking, not how it works. We know how it works, but the reality is that those who did not require the full benefit of the \$200 grant for provincial taxes could apply the balance against municipal taxes. That's been taken away. It's affecting a lot of people on modest incomes, and my question very specifically is: why is it always the people who have modest incomes that this government always goes after to overdo their deficit because of their mismanagement? Why didn't they do it with the people that could afford it, rather than this group?

MR. CRAWFORD: Well, Mr. Speaker, I think I answered that too. The property tax reduction program applies to all homeowners, and the \$200 benefit was a means of introducing an extra benefit under the program. When the survey revealed that the average benefit was so low -- about \$6.50 a month -- it was deemed that that could be handled by most people, and the adjustment was made to the budget, as the Treasurer said, to apply on other programs which appeared to have a high priority also.

MR. TAYLOR: Mr. Speaker, this supplementary is to the Treasurer, although the Minister of Municipal Affairs has done

an admirable job of defending the indefensible. We see a pattern here when you look at this mobile-home tax, the question of farm fuel subsidies being cut, the question of rental credits being put away, extra fees being charged in public schools, user fees to the handicapped. It's a litany that points that this government is directed towards taxing the poor, towards trying to balance the budget on the backs of the poor. Now, how can you justify this type of taxation when we have a lottery fund occupied by the hon. minister from Calgary that's sitting there with \$52 million, preening his feathers as he decides what to do with it, while you're sitting there taxing the poor of this province to budget, budget?

MR. JOHNSTON: My colleague the minister responsible for lotteries probably would like at some point to correct the factual misinformation which has been put forward. Let me deal only, on a more rational basis, with the questions raised by the Member for Westlock-Sturgeon, where in fact he draws into some dispute the intentions of this government with respect to its fiscal plan to unload the costs on the backs of those who are less able to pay for the services from which they are now benefiting, which I think is a reasonable interpretation of what he said, putting aside the histrionics, the yelling, and the shouting and running about, which is typical of the member, Mr. Speaker.

What this government has done, of course, Mr. Speaker, is very carefully craft this budget so that in fact there is a clear record of unloading the costs from those people who are less able to pay. I have reported in this House on numerous occasions, and I will take an opportunity again to outline very briefly, some of those which are relevant in that context. First of all, Mr. Speaker, let me be very clear that the Alberta selective tax reduction has in fact taken from the tax rolls of Alberta an additional 250,000 Albertans who normally would pay taxes, who will now either be totally relieved or pay less taxes than ever. That comes to approximately 500,000 Albertans who will be taken from the tax rolls because we are determined not to put the cost on those people less able to pay.

Moreover, Mr. Speaker, as all members here will recognize, this province has the lowest tax cost of any province in Canada. Incorporate in that for just a second a very important element; that is to say that this province has no sales tax. When you talk about regressivity of taxation, one must look at sales tax. Because it's in fact the sales tax element that really is the one which impinges most on disposable income. This province that . . . [interjections]

MR. SPEAKER: Thank you, hon. member.

MR. JOHNSTON: Excuse me, Mr. Speaker, I get so excited when [inaudible]

MR. SPEAKER: The Chair recognizes the Leader of the Opposition for the second main question.

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for St. Albert.

Zeidler Forest Industries Ltd.

MR. STRONG: Mr. Speaker, I'd like to address my question to the Minister of Labour. It regards the . . .

ANHON. MEMBER: Surprise, surprise.

MR. STRONG: Surprise it is. It regards the 13-month-old on-going labour dispute involving Zeidler forest products which still remains unresolved. The minister appointed a disputes inquiry board on September 10, 1986, to review this dispute, and that board recommended a settlement to both parties that contained no wage rollback for existing employees and some reductions for new hires.

To the minister: does the minister support the recommendations of his deputy minister, Mr. Clint Mellors, who on January 5, 1987, revised the findings of the disputes inquiry board and recommended to those employees that they take a \$1.50 an hour wage rollback to make up for the Canadian softwood lumber tax of 15 percent that was imposed by his federal colleagues in Ottawa?

DR. REID: I'm sorry, Mr. Speaker. I wasn't aware that the member was finished with his question.

This situation is, Mr. Speaker, as I've addressed several times in this Assembly on prior occasions and outside the Assembly, that we have here a dispute on an economic basis between the employees, as represented by their union, and the owners, as represented by the management group. The economics of that industry are surely a matter for that industry. We've had two attempts to find common ground: the disputes inquiry board, where indeed the union on behalf of the employees accepted the disputes inquiry board decision; the employer felt that they could not. Subsequent to that, the employer did formally suggest that there was a requirement for a further rollback in wages for the existing employees, in addition to a lower rate for any new hires. The subsequent efforts by my deputy were rejected by both sides, and as the Premier said yesterday, there appears to be quite a considerable difference of opinion and a distance between the two parties.

MR. STRONG: A supplementary, Mr. Speaker. It's obvious that economics were involved, because \$1.50 wasn't enough.

Does the minister also support his deputy minister's proposal of January 12, since that buck and a half wasn't enough, for those employees to take a \$2-an-hour wage rollback, again using for justification the 15 percent Canadian softwood lumber tax -- that they take that \$2-an-hour wage rollback?

DR. REID: Mr. Speaker, I think I just answered the question. In the attempts to find a middle ground, nobody has been successful thus far. I will be meeting with Mr. Campbell. He's now back in the province. And again, as the Premier has said and I've said in the past, the chance of success is slight, but we will try.

MR. STRONG: A supplementary, Mr. Speaker. It's obvious that a telephone call to a secretary isn't going to get the job done. So I suggest maybe you get in touch with Mr. Campbell to get it done.

To the minister. Can the minister explain to Albertans why the concerns of an employer, who, incidentally, gives money to the Conservative Party -- supports them financially -- why that employer is given priority over the interests of 100 working Albertans when it comes to that employer's concerns? Can the minister explain that to Albertans?

DR. REID: Mr. Speaker, the concerns of this government are fairness but also survival of the employer so that he can indeed continue to employ people. The economics of the individual

operations in this province, the economics of industries in this province, are of vital interest to all of us in that if there is not compatibility with the provisions for other industrial members in other jurisdictions, then obviously the Alberta industry will not survive. My understanding is that the employer feels -- and I do not impugn any motives on the employer's part any more than I would on the part of the union -- that the rollback is required and the union are not willing to settle for the rollback. That's the difference of opinion that exists.

MR. STRONG: Final supplementary, Mr. Speaker. It's interesting to note that economics have everything to do with the labour Act, and I thought a labour Act...

AN HON. MEMBER: Question.

MR. STRONG: ... was for working people. Maybe you could remember that in the future.

To the minister: could the minister explain how Albertans can expect fairness from this government when it comes to labour legislation in this province, based on his obvious priorities and the Premier's comments yesterday -- just how Albertans can expect fair labour legislation from this government when it's obvious they hold labour leaders and union members in absolute disdain?

MR. SPEAKER: Hon. member, this is a short supplementary, not time for debate. Hon. minister.

DR. REID: Unfortunately, Mr. Speaker, I can't answer the member's question without going at it with some length. I think it has been stated quite clearly on many occasions by myself, by the Premier, by other members of this government. This government is interested in fair labour legislation. I doubt if any legislation that is introduced would satisfy the extremes at the end of the spectrum, either on the part of union leadership or on the part of some entrepreneurial business people. I am more realistic perhaps than the hon. Member for St. Albert in that regard.

If he would care to read thoroughly the final report of the Labour Legislation Review Committee, he will find there laid out extremely clearly what that committee recommended to the government. Those recommendations in many cases mirror the attitude of the government. It is crucial that attitudes in this province are the same as the interests of this government: fairness and equity. We will address that on behalf of all Albertans. I can assure the member that when he sees the legislation, if he cares to read it thoroughly he will see that that is the intent of the legislation, but it is also the intent to recognize commonality of interest between employer and employee. If we can get both sides to recognize that commonality of interest, we will have a different environment in this province, perhaps not one to the liking of the hon. member.

MR. SPEAKER: Member for Westlock-Sturgeon, supplementary question.

MR. TAYLOR: Yes, a supplementary, Mr. Speaker, to the Minister of Labour. As he has seen by the questions and accusations going back and forth about political donations -- in order to make labour relations easier and better in the future, is the minister considering at all recommending in his report that all donations from either unions or corporations to political par-

ties be abolished?

DR. REID: I think the hon. member is into another statute under another minister, but he did address the role of government, Mr. Speaker. The role of government is to provide a fair and equitable environment for employees and employers to relate to each other. If they choose to become organized -- and that's the prerogative of the employees -- then they do so and they live with a situation and the rules. The rules will be fair and equitable. The role of government is not to be a negotiator nor an arbitrator. That is between the employees and the employers, and I can assure the hon. member that will remain as a precept in the future.

Forest Fire Fighting

MR. TAYLOR: Mr. Speaker, I'm just going back for a second. For the first time since I've been in the House, I got more hell from those over on my left than I did from the government when I asked the government. I'm drying up their political support.

Mr. Speaker, this is a question to the Minister of Forestry, Lands and Wildlife, and indications show that this may be a very dry summer and one that may threaten Alberta's forests because of the high fire danger. The fact that there have been almost a hundred fires already and many times more acreage involved than at the same time last year shows the potential for the bad forest fire season that may be unfolding.

First question: despite the potential for a bad fire, the minister has reduced his budget for fire suppression by 42.8 percent. In calculating his needs this year, was the minister willing to gamble with Alberta's forests on this being a wet summer?

MR. SPARROW: Mr. Speaker, last year we spent about \$14 million in fire fighting, and our presuppression units over the last three years and our readiness to address those fires has really kept the costs down. The budget this year is equal to last year's budget of what we actually spent. We have had a very dry season to date, and I don't think your number is quite accurate at 100, but it's getting near there. There have been about 2,200 acres to date, and the cost has been kept under control by the rapid action of our forces.

MR. TAYLOR: Mr. Speaker, a supplementary. The budget may be the same, but the summer isn't the same. What is the contingency plan, then, if it continues at the present rate? Is the minister going to have any problem accessing or ensuring that he can keep up the fire fighting level that is now being used continued on through the whole summer?

MR. SPARROW: We don't anticipate any problems throughout the summer. Looking back over the years before we had the preparedness units out and working, fire costs were a lot greater in this province. In most areas we have a 15-minute response time. The key to fire fighting is getting there very rapidly and before it gets out of control. Our success ratio in the last three years has been proving that.

MR. TAYLOR: Well, Mr. Speaker, I'm still not getting the answer. What I want to know from the minister is: when the budget that he's apportioned for putting out forest fires ends -- when it's finished, if it is finished, if the Lord does not do what he says; I know they usually do what Tories say, they say -- if the Lord does not do what he thinks and he needs more money,

how is he going to go about getting it?

MR. SPARROW: Mr. Speaker, when and if that eventuality comes about, I'm sure that after going to church on Sunday, I'll go to cabinet on Wednesday and may get some assistance.

MR. TAYLOR: A final supplementary, Mr. Speaker, to the minister. Would it not have been more sensible and more honest with the House if he had asked for a maximum budget at the very outside, rather than this and then hope and pray that he can get through?

MR. SPARROW: Mr. Speaker, we took our estimates up on Monday and had the opportunity to discuss them. We very definitely feel that the budgeted amount is adequate, and if the eventuality happens that we do have a bad season, as years gone by have proven, special warrants are available. You've just added a new element, and I will continue to go to church every Sunday.

MR. SPEAKER: Is this a supplementary? But not a hypothetical supplementary. Edmonton Glengarry.

MR. YOUNIE: Not a hypothetical. No, not a hypothetical. Thank you, Mr. Speaker.

I did bring this topic up during your estimates, and I'm just wondering: in view of the fact that it wasn't difficult to realize this was developing into a very dry spring, did the minister consult with the minister of career development to access funds to train and hire students through his budget for fire suppression this season?

MR. SPARROW: Each and every year, Mr. Speaker, we have alert crews trained throughout the province. Those crews come back to us on an annual basis throughout the province, and should the need arise for additional funding, I may be calling on my colleague. You've now identified another bunch of funds that maybe I could use besides going to church.

MR. SPEAKER: Member for Little Bow, followed by the Member for Edmonton Glengarry.

Automobile Insurance Rates

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. A recent move by the Ontario Liberal government to freeze car insurance premiums and regulate the profits earned by auto insurers raises concerns about the effect that this will have on some of our Alberta insurance rates. The president of the Royal Insurance company of Canada has indicated, as a result of this government initiative, that little or none of the insurance industry profitability is coming from the auto insurance and certainly not from personal auto insurance in Ontario. Could the minister indicate what research has been done with regards to this in Alberta and whether the minister is able to determine whether that move by Ontario will have an effect on auto insurance rates here in Alberta?

MISS McCOY: Mr. Speaker, we're quite flattered that Ontario is, at least in part, taking a leaf out of Alberta's history in introducing an Auto Insurance Board. In Alberta we have had such a board since something like 1971. Indeed, it was introduced by the former Social Credit government, and it has

worked very well since. It is a board that regulates and approves the auto insurance rates for that portion of the insurance that is mandatory in Alberta, and we think that this practice is one that is being viewed in other jurisdictions with some favour.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister, and it relates to my first question. Has the minister any indication that this move in Ontario, even though it's occurring, will have some effect in Alberta? And will the policy that is in effect, in terms of our board, be able to handle that kind of a rate increase?

MISS McCOY: Yes it will. The rates for automobile insurance in Ontario are almost double in the high-risk categories than they are in Alberta. I might point out that the premiums that are charged in Alberta are rated and set according to the local market, and so the premium levels here have no direct connection with that which is charged in Ontario.

The other point I think that the member is asking about is whether the profits of a company in one region of the country might impact on another region in the country, perhaps the implication being that a company might try to offset their profit pictures by increasing their profit picture in Alberta. I can assure the member that the Auto Insurance Board is there to ensure that the premium rates charged in Alberta are based on good reason and actuarial standards and that that sort of ploy would be discouraged, if not prevented.

MR. SPEAKER: Edmonton Belmont, supplementary.

MR. SIGURDSON: Thank you, Mr. Speaker. To the minister: when will the minister tell the industry that it's time to stop discriminating against male drivers that are under the age of 25 and offer them fair and equitable rates?

MISS McCOY: While that question is not quite germane to the leading questions on this subject, let me say that the Automobile Insurance Board is there to ensure that every classification of drivers, and the rates that are charged for every classification, properly reflect the claims experience and the loss experiences for that classification of driver and that the board has advised me that it has no present intention of doing what the member so slavishly follows other jurisdictions in suggesting.

MR. SPEAKER: Member for Edmonton Glengarry, followed by the Member for Calgary Buffalo.

Herbicide Applications

MR. YOUNIE: Thank you, Mr. Speaker. For the minister of forestry. One year ago today in the Yellowhead riding during the election campaign the Premier made statements which led many to believe that he had promised a moratorium on herbicide spraying in forest areas and may explain why voters believe politicians will say almost anything to almost any group during an election. The moratorium that these people believed had been promised was only denied after the local MLA won a squeaker.

Can the minister confirm that his department has ordered large quantities of hexazinone and other herbicides from Du Pont, and if so, can he explain the intended use of these products?

MR. SPARROW: Mr. Speaker, I take exception to that preamble. I don't think I want to stoop as low as my learned colleague from Edmonton Glengarry just did, but I should point out the facts to him. Yes, we have. Our department has been using herbicides; we are proceeding very cautiously. But I think for the value of all members we should put the problem into perspective. We've managed some 39 million acres of land since 1982. Since 1980 we've only had treatment on about 2,300 hectares. That's quite a very small portion of the province. Throughout Canada it's been used a lot more extensively, and we are proceeding very slowly and cautiously. We are using ground application only, and most of the projects we're going to be using that on are legitimate research projects.

With reference to your comments on the Hinton area, looking back I can only see about 12 hectares in 1985 in that area that were handled by the department. Maybe others did. I can remember during the election an application coming through. It was not sufficient. They were looking at spraying a quarter section of land. The application was put in just during the election, and I wonder why we received it.

MR. SPEAKER: Supplementary question.

MR. YOUNIE: Thank you. Will the minister ensure in that case that there will be no more experimental spraying until the research that he's just mentioned is completed, evaluation of it has been done, and it's been subjected to meaningful public hearings?

MR. SPARROW: Mr. Speaker, on each and every application, I've said in the House before, we have local meetings to make people aware and give them an opportunity to show their concerns. We inform the public at those meetings what we're intending to do, and in all cases in the last three years we have had no major problems with the public in that area. As I said earlier, these are ground applications and are very safe. There's a lot to be learned in the research we're doing. A good amount of local input comes into that through those public meetings, and we intend to proceed on that basis.

MR. YOUNIE: Okay, we'll experiment with the whole province, I guess.

For the minister. I'd like to look at a contradiction between what he said in the House; I'd like to establish it and have him explain the contradiction. He said:

Ground application, as I said earlier, is the only method we're using.

But an ad placed by his department asked for tenders for the aerial spraying of nearly 1,450 acres in the Grande Prairie area. I'm wondering if the minister can inform us how many acres his department plans to spray or tender spraying of this year for any purpose with any chemical herbicide.

MR. SPARROW: The number of acres that were approved last year -- there's quite a number that were incomplete that we'll follow through this year. To date this year no new applications have been made to the Minister of the Environment that have come through my office. If you could give me some information on the ad you're talking about -- it has not been brought to my attention, and there has been no approval go through me that I know of applicable to aerial spraying.

MR. YOUNIE: It's Saturday, April 11. I'll make a copy available to the minister. I'm wondering -- he mentioned the Minis-

ter of the Environment -- if the minister of forestry or the Premier for that matter still think as highly of the Coalition for Forest Spray Alternatives as they did during the election campaign, or have they adopted the publicly expressed attitude of the Minister of the Environment when he said on March 16:

In many ways the most dangerous entity that can be found in a democracy -- the single issue interest group.

MR. SPARROW: Mr. Speaker, I think hypothetical questions deserve no consideration whatsoever, so I'll step down.

MR. KOWALSKI: Mr. Speaker, I'd be just delighted to supplement the response of my colleague the minister of forestry. Perhaps I might read into the record an extract from a letter written by the Coalition for Forest Spray Alternatives to the Premier, and I quote:

That Environment minister Mr. Ken Kowalski is now starting to put his department's guidelines for open houses in writing is a sign of progress . . .

and on it goes.

In addition to that, Mr. Speaker, I'd like to point out as well that in the last number of days I've had a very excellent opportunity to meet with the Environmental Network in the province of Alberta. When asked by a representative for the Coalition for Forest Spray Alternatives what the government's policy was with respect to the issuance of forest respraying permits in the province of Alberta in 1987, I delivered the government's position with respect to that and received a positive nod from the lady in the audience. Now, I simply don't know what it is that the Member for Edmonton Glengarry is yapping about today.

MR. SPEAKER: Member for Clover Bar, followed by the Member for Westlock-Sturgeon.

DR. BUCK: Mr. Speaker, a supplementary question to the minister of forestry. Can the minister assure this Assembly that he feels that his department has done all studies necessary to make sure that there's no accumulation in the food chain from the spraying of herbicides in these selected areas?

MR. SPARROW: I think my learned colleague the Minister of the Environment may want to supplement this. As we've said, these chemicals that we are using, farmers have been using throughout this province for many, many years, and we use the same products that are approved by the Department of Agriculture for that spraying. They are very definitely safe, and we don't have any problem with it.

MR. KOWALSKI: Mr. Speaker, as I have been invited to supplement the response of my learned colleague -- as I recall, the Member for Clover Bar wanted to know about the policy of the government with respect to aerial spraying and spraying in the province of Alberta -- I think that if you would permit, I would like to outline the government's policy, as this is a matter of significant public importance. It has now been raised in the Legislature of the province of Alberta, Mr. Speaker, and I would like to outline to all of the individuals in the province of Alberta, those who have access to *Hansard* and the like, our five-point policy with respect to forest respraying in Alberta.

The procedure is as follows, Mr. Speaker. Number one. a preliminary review of all herbicide projects submitted to Alberta Forestry, Lands and Wildlife will be conducted by the departments of the Environment and Forestry, Lands and Wildlife to

ensure that these projects are necessary and can be conducted without undue risk to the environment, or to our forestry, wildlife, and fisheries resources. Proponents will also be requested . . .

MR. SPEAKER: Thank you, hon. minister. That's a very important number one. Perhaps some supplementaries will bring out the rest of it. Westlock-Sturgeon, please.

MR. TAYLOR: Mr. Speaker, through you, I'd like to inform the House, as a geologist, that they have witnessed probably the only place in time and history that you can find a volcano that erupts at least once a week over there. If I may direct . . .

MR. SPEAKER: Order please. The Chair interrupted the minister so we could get on with some more supplementary questions, and in the supplementary questions we don't need to go through this kind of dialogue. The Chair needs to point out to the hon. Member for Westlock-Sturgeon that one of his colleagues is waiting in the wings. I have at least two others who would like to get into question period, and perhaps we could have now the succinct supplementary rapidly.

MR. TAYLOR: Okay, Mr. Speaker. If you can assure me that only one minister will answer here, I think we'll move fast.

I would like to ask this minister, the minister in charge of forestry development: is he aware that TransAlta uses chemicals to kill vegetation underneath the power lines in the road allowances on Crown lands in this province far in excess of the amount of acres that he sprays each year, and what is he going to do about that?

MR. SPARROW: Mr. Speaker, the practice the hon. member just mentioned has been carrying on for many, many years. It's used by counties, towns, and MDs throughout this province. They are the same safe chemicals that were approved by the Liberal government in Ottawa for many years. I think we should allow the normal process to go ahead. And if he wants to save the public of Edmonton, he should stop his learned friend the mayor of this city from spraying mosquitoes, which is very much more detrimental to the health of Albertans.

MR. SPEAKER: The Member for Calgary Buffalo, followed by the Member for Edmonton Centre if there is time.

Equal Access to Education

MR. CHUMIR: Thank you, Mr. Speaker. To the Minister of Education. I'm somewhat unhappy with the tone of the minister's answer to my question yesterday with respect to the impact of user and other fees on equal access to the school system. In effect, we seem to be getting extra billing in our schools. She seemed to be more interested in the legalistic interpretation of whether a school user fee comes within the definition of a tuition fee rather than the fundamental question of whether access to schooling was being denied so that we're creating a two-class system of schooling. How is it that the minister can tell this House, as she did yesterday, that she does not accept the allegation that there are differences between those who can pay and those who cannot, when she has not in fact reviewed the situation and obviously hasn't been listening to Calgarians on this matter recently?

MRS. BETKOWSKI: Well, the hon. Member for Calgary Buffalo is getting more sensitive with the passing days of this Assembly. He raised some important questions yesterday, which I indicated to him I would follow up on, and I will do so. But if he is suggesting that I not follow the statutes in this province, which suggest and which in fact confirm that school boards may not charge a tuition fee but may charge noninstructional fees, then perhaps he'd like to put that on the record. For the time being, I will follow what is in fact in statute, and that's what I am doing.

MR. SPEAKER: Supplementary question, which must be different from yesterday's questions.

MR. CHUMIR: This is certainly different, and they have been different, Mr. Speaker. I might add that if the present system were adequate, we wouldn't be looking at a new School Act. The minister referred yesterday to provisions by school boards to allow for students who are unable to pay fees. Can the minister tell this House whether she has reviewed and has hard information and not just a hunch as to whether these mechanisms, which are in fact informal means tests applied by principals, are working fairly and not in a demeaning manner to parents and students?

MRS. BETKOWSKI: Well, Mr. Speaker, as I said yesterday in this House, there is no school board in this province of which I am aware that does not have in place a policy which will address the inability of some students to pay a fee for noninstructional items. If the member is aware of any of those, I as Minister of Education would want to know that.

But on the second point, which I want to make very clear in this House, I happen to believe that the process of developing a system of education is one that isn't static, that we can always make improvements. It is in that vein that this province is looking at and has consulted Albertans in an unprecedented way in developing a new School Act. I happen to think it's a very important piece of legislation, one which all Albertans are looking forward to. It's not because, as the hon. member suggested, the system is all bad. It is simply a matter of saying that there can be improvements made, and that is what we are looking towards: a statute that will address the education system in the year 2000.

MR. CHUMIR: Thank you. Mr. Speaker, the issue is provincial responsibility, and yesterday the minister once again parroted her speech about local school board autonomy. What I'm wondering about is whether the minister is denying any overall responsibility for the provincial government in education matters, and if the matter of equal access in our schools is not a matter of provincial concern, what the heck is?

MRS. BETKOWSKI: Well, Mr. Speaker, the overall responsibility for education in this province does rest with the province. But I think it's very important to note that I take very seriously the partnership role, given that overall responsibility of the province, with school trustees, with teachers, with parents, with students. And it is in recognition of those roles that we are pursuing a new School Act.

MR. CHUMIR: Will the minister undertake to this House that there will in fact be a thorough review of the school user-fee issue and that the question which will be asked is whether the

user fees are affecting access to programs by lower income students and not just, as she suggested yesterday, to determine whether the fee structure currently used fits within the definition of a tuition fee under the School Act?

MR. SPEAKER: Hon. minister, the time for question period has expired. Do we have unanimous consent for this line of questioning to continue? All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Hon. minister.

MRS. BETKOWSKI: Mr. Speaker, I will follow up on any of the specific requests which the hon. member has made, and I've told him that privately, and I am telling it in this Assembly to him. However, I will not be questioning the authority of school boards to operate within the current legislative provisions, and if he is suggesting that, then I will not. I will, however, look at those tuition fees. If there are certain ones which he thinks are improper and shouldn't be levied by the Calgary school board, I would be very happy to follow up on those at his request.

MS LAING: Mr. Speaker, to the Minister of Education. I'm wondering if she has had school boards and school principals determine whether or not children and parents decide or choose to have children exempt from certain classes because of the user fees that are involved in those classes?

MRS. BETKOWSKI: That's the same question that I was asked in the first instance, Mr. Speaker, and the answer is that school boards are not allowed to charge tuition fees in this province. A tuition fee means that the school board is preventing access to a basic education program, and that is not allowed because basic education is a universal system within our province. What school boards are allowed to charge is a fee for noninstructional purposes. And as I've said, if the hon. members have specific questions with respect to the appropriateness of certain fees, I would be very happy and pleased to follow up on them for them.

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Member for Calgary North Hill.

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

MR. STEWART: Thank you, Mr. Speaker. It is my pleasure to introduce to you today and through you to the members of the Assembly, 42 grade 6 students from the Greenview elementary school in the beautiful constituency of Calgary North Hill. It's a particular pleasure because it is the first opportunity that I have had since becoming a member to welcome a class to the Legislature from Calgary North Hill. I would like to introduce to you as well the four teachers that accompany them: Mr. Philipiew, the principal; Mr. Sproule, the assistant principal; Mr. Mogdan; and Mrs. Stevenson. As well, they are accompanied by four

parents: Mrs. Wilson, Mrs. Trummer, Mr. Brar, and Mrs. Spielman. They are seated in the members' gallery, and I would ask you to join with me in giving them a warm welcome to this Assembly.

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

MS BARRETT: Mr. Speaker, I rise to request unanimous consent of the members to deal with a motion which now appears on the Order Paper. It is my Motion 243. I believe I can argue the urgency of it, if the permission is granted.

MR. SPEAKER: All members are aware that the motion involved in the request is number 243. It's under *Standing Orders* that the member would speak to the urgency and then the request for unanimous consent to debate.

MS BARRETT: Thank you, Mr. Speaker. The matter of urgency is actually bound up with the contents of the motion, from which it is quite clear that we're requesting the change of the membership of the Committee on Privileges and Elections for consideration of certain matters. The urgency factor is of course that the committee no doubt would like to proceed, and this issue needs to be, I believe, dealt with prior to its proceeding.

MR. SPEAKER: Request for unanimous consent. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Unanimous consent has been given.

Speaking to the motion.

243. Moved by Ms Barrett:

Be it resolved that for that period during which the Standing Committee on Privileges and Elections, Standing Orders and Printing considers the matters referred to it by Government Motion 9, which was passed by this Assembly on April 15, 1987, the hon. Member for Edmonton Strathcona replace the hon. Member for Athabasca-Lac La Biche as a member of that committee.

MS BARRETT: In moving the motion, Mr. Speaker, I'd like to point out that it's the view of the Official Opposition caucus that it would place the Member for Athabasca-Lac La Biche, who has been since last year a member of the Committee on Privileges and Elections, into a potential conflict-of-interest situation given the matters referred to it by Government Motion 9, passed two weeks ago today. Therefore, we request support for allowing, for the consideration of those matters referred to it under that motion only, the change of membership going to the Member for Edmonton Strathcona, and the Member for Athabasca-Lac La Biche would therefore not be a member for that period of time.

MR. SPEAKER: Is there a call for the question?

HON. MEMBERS: Question. [Motion carried]

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Will the Committee of Supply please come to order.

Hon. members, the Department of Agriculture estimates are brought to the committee today, designated by the Official Opposition.

Department of Agriculture

MR. CHAIRMAN: There are seven votes involved, commencing on page 229 of the estimates book, the authority for the programs beginning on page 32.

Would the hon. Minister of Agriculture care to make some opening comments? The minister is the Hon. Peter Elzinga. Mr. Minister?

MR. ELZINGA: Thank you very much, Mr. Chairman. In view of the deep interest of all members of the Chamber, I won't add any more than what we added when our estimates were introduced. I should share with you that it's my hope to respond to all the questions put, and I look forward to a very interesting debate this afternoon.

MR. CHAIRMAN: Hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'd like to thank the hon. minister for giving other members in the House a chance to address the estimates of the Department of Agriculture. When we last had the opportunity to do this, I had so many things to say about the problems I see in his department and the way it's administered that I ran out of time, and I'm anxious to get back into it. I might remark at the outset that I make my comments not only on my behalf but on behalf of my colleague the M.L.A. for Athabasca-Lac La Biche, who is this very moment traveling to a town in his constituency to meet with a group of farmers that are very concerned about the state of agriculture and want to try and develop some alternatives with him to react to those problems.

I'd like to get into a number of initiatives that the government claims to have been taking or should have been taking, but the first concerns the review of the role and mandate of the ADC. As members know, this is something that we in the opposition advocated for a long time. We felt that the Agricultural Development Corporation, established initially as a lender of last resort to help young farmers get started in agriculture, was long overdue for a thorough review, that it had become an institution that was quite unlike what had been imagined in the beginning and instead of a friend of the farmers was now viewed and was becoming an obvious enemy of some farmers and needed to be reviewed.

It was with concern that I noted the panel chosen to conduct the review didn't contain a balanced input, that it was made up of M.L.A.s from the government side and people appointed by the government. While I emphasized at that time that I didn't question the integrity of anybody on the panel, I was concerned that if we wanted to have a thorough review of this institution that not only was going to be objective but was perceived as being objective, we needed to have balanced input. That unfortunately was not the case and the panel was struck. Nevertheless, there were a number of very good hearings held all across the prov-

ince by the panel, a lot of input from farmers who either were losing their farms to the ADC or were concerned about the situation in general.

At a meeting of the Heritage Savings Trust Fund committee last fall, my colleague for Athabasca-Lac La Biche recommended to the two ministers of Agriculture that the ADC consider a temporary moratorium on foreclosures, at least until the review of the role and mandate of the ADC was complete. This unfortunately was not accepted as recommended, and I think it's unfortunate because in that period of time . . .

MR. CHAIRMAN: Excuse me, hon. member. Order in the committee, please. The hon. member has the right to be heard. Vegreville.

MR. FOX: I'll be heard all right, Mr. Chairman. They just don't like to hear what I have to say. But I thank you.

Unfortunately, the ministers did not agree to our suggestion that a moratorium be placed on ADC foreclosures during the period of review. In that time period the number of foreclosures, bankruptcies, and quitclaim actions that have come through the ADC has increased quite dramatically. I think it's really unfortunate, because a number of farmers that involved themselves in that process were lured by the promise of changes to this corporation. They were, in a sense, promised that there would be some meaningful changes in the lending practices of the ADC, and they hung on with that in mind.

I received a call from a young farmer in my constituency only yesterday asking when the report is going to be tabled. He's anxious to know whether or not there will be any substantive changes in the ADC that would enable him to continue farming with confidence. He's faced with many decisions, many difficult decisions at this time as to whether or not he tries to put in a crop and make it through another year. And certainly he needs to know; he needs the security of knowing what is in that report. With that in mind, I asked the minister yesterday when that report might be tabled, and the answer was that it would be tabled when it's ready and it would be shared with everyone who is interested. But I submit to the hon. minister that that's not good enough and that we need a commitment of a date. We need to know when he is going to be able to get that report untouched through his caucus and present it here so the farmers know what's coming. [interjection] If they have the assurance of the hon. Member for Stettler that there will be substantive changes that will help young farmers and their families stay on the land, then I'm encouraged by that.

Other things have happened in the interim. Just a couple of days ago the Farm Credit Corporation announced that they were lifting the moratorium on foreclosure actions in Alberta. While on the surface it appears like that might not involve very many farmers, I think it goes much deeper than that. It's not only the 50 to 100 farmers that are involved in active foreclosure actions through the FCC at the time of the moratorium being in place; it's the some 21 percent of farmers in Alberta who borrow through the FCC, whose accounts are in arrears and who, I submit, are going to be facing serious trouble this year.

I understand from the federal minister that he was holding this moratorium in place only until the federal Farm Debt Review Board was up and working smoothly and the rural transition program was working. I submit that for this government to rely on the Farm Debt Review Board process or to put any faith in that as something that can cope with what will be a fairly massive exodus from rural Alberta is folly at the best. It's un-

fortunate, because I don't think that review process is meaningful enough or strong enough to achieve the kind of results we need. If a lender is not willing to submit to the process or to agree to any of the recommendations made to it by the Farm Debt Review Board, they merely need to wait it out. They can go through a period of four consecutive 30-day stays of action, wait 120 days, and then do exactly what they were planning to do anyway. So I think that with the number of cases that will be brought to the attention of the Farm Debt Review Board, it's going to prove woefully inadequate in terms of being able to deal with them.

It's also come to my attention, Mr. Chairman, that while there have been some cases resolved through the Farm Debt Review Board, very few involved the Agricultural Development Corporation. I would like the minister responsible to comment on that, tell us how many cases brought to the Farm Debt Review Board that involved the ADC as the primary lender have been resolved in a way that benefits the farmer. I'm not sure that too many of them have.

I think we're seeing a trend right across Canada now to stronger family farm protection type legislation. It's not only the New Democratic government in Manitoba that's come forward with some meaningful action in this regard with the passage of their Family Farm Protection Act, but the government of Saskatchewan has also taken some more meaningful action to try and address what I think is a very serious problem. And I might talk about that problem, the problem of an ever growing number of producers facing foreclosure, facing the loss of their farms. I submit to you, Mr. Chairman, and the members here that this is not a normal situation. We're not dealing with a number of farmers who simply have made some bad management decisions or had a few bad breaks and are falling by the wayside and therefore we shouldn't worry about them; we're dealing with a whole generation of producers whose only mistake is having started to farm at the wrong time. The young generation of farmers who hold the productive future of this province in their hands started to farm in the late '70s, when there was boundless enthusiasm in the industry. They were told by the experts of the provincial and federal government that there was a never-ending need for food out there, the prices were going up, and the hungry world was beating at the Canadian farmers' doorstep for the food we would produce.

In addition to that, they were urged to borrow more money than they wanted to borrow. And the ADC, I think, has to accept some responsibility in that regard. Farmers would come to the ADC and say, for example, "I'd like to borrow \$95,000 for this and that and the other thing, and establish a farm." The lending experts would say, "Well, my friend, that's not a viable economic unit. Why don't you borrow \$200,000 and we'll get you going really well?" I know that hindsight is 20/20, Mr. Chairman, but what has happened is that a number of those farmers borrowed more money than they could. In the late '70s and the early '80s the price of interest rates went sky-high, well in excess of 20 percent -- 24, 25 percent -- and a lot of these loans that looked like they were good and prudent at the time became suspect and eventually a burden around the necks of these young farmers trying to survive.

It's on that basis that I'm not prepared to accept this government's notion that we should stand by and let them fall by the wayside, that they signed on the dotted line and therefore have to accept responsibility. I don't believe we should forgive anyone their responsibilities, and the farmers have a responsibility in that regard, but it's a responsibility shared between the lend-

ing institutions, the governments, and the producers. We have to work together to try and find some meaningful resolve to this situation.

I'd like to let the Assembly know that we'll be introducing our own edition, if you will, of the Family Farm Protection Act and hope it will receive more meaningful consideration from the Conservative members of this House than our Bill on debt adjustment did last year. Because I think that although it's difficult to come to grips with, we have to confront it. People talk about how debt adjustment is an offensive thing, that it will alienate the banks, that we can't deal with it. We're practising debt adjustment every day, Mr. Chairman. The ADC practises it; the Farm Credit Corporation practises it. The banks of this country practise debt adjustment every day, because when they foreclose on the assets of a young farmer who owes, say, \$200,000 or \$300,000, turn around and sell that asset to another farmer for 40 cents on the dollar, they're practising active debt write-down. But they're giving the benefit of that write-down to the wrong person. Instead of finding the political resolve in some creative way to apply the benefit of that write-down to the farm family struggling to stay alive, we give the benefit of it to the established older farmer. It's a decision that we're going to have to confront and take a closer look at, because what we're faced with is a loss of a generation and a loss of hope in the rural communities.

Another policy initiative I'd like to discuss while I have time is the minister's penchant for the pay-the-producer pilot project, and it regards the disbursement of the Crow benefit. This is perhaps a better opportunity for us to discuss that than question period, Mr. Chairman, and I'd like to bring it up, too, because I think it's a very important issue. The Crow benefit traditionally is a . . . Since the federal Conservatives and Liberals conspired to change and get rid of the Crow rate in its original form, the Crow benefit is essentially a transportation subsidy designed to help our export grain producers be more competitive on the international market -- nothing more, nothing less. Now, there is a case to be made that the payment of that subsidy to export grain producers does cause some dislocation with feed grain users in the province of Alberta. It does cause some difficulties in terms of developing the livestock sector here, the feeding and eventual processing and export of meat products. I accept that notion. But I think we need to take a careful look at what it means to change the current method of disbursement from a pay-the-railways concept to a pay-the-producer concept.

In the first place, any subsidy at the federal level is a vulnerable thing. It's a politically vulnerable thing, Mr. Chairman, and I submit that if it was changed from a subsidy paid directly to the railways to one that's paid to the producers, it becomes more vulnerable and at some point could be lost in the future by grain producers. That's the first thing I worry about.

The second thing I worry about is that it has the very direct, immediate impact of lowering the value of grain on the prairies. Now, that may not be a problem in normal times, but there could not be a worse time for governments to actively seek to lower the initial value of grain on the prairies. When a farmer delivers barley to the elevator in Alberta, he's getting \$60 a tonne for it. What this Conservative government is advocating is that he get \$39 a tonne for it and hope that at some point in the future he'll get a cheque in terms of . . . Don't shake your head; that's the way it works. In terms of the pay-the-producer benefit, he would get a cheque back at some point in the future for somewhat less than that \$21 a tonne.

It may be an idea with merit. In a task force I conducted

around the province, we certainly had some excellent input on this idea from the Alberta Cattle Commission, who lobbied us very strongly about the pay-the-producer concept. But I submit that it distorts the original concept of the Crow benefit, which is to make it easier for our export grain producers to be competitive on the international market. As well, it lowers the value of grain initially at the worst possible time. We have to take it into consideration along with the cuts in initial prices, the attempts by this government to increase the price of fuel which impacts more directly on grain producers, a whole series of initiatives that are undermining and eroding the ability of grain producers in the province of Alberta to survive.

In terms of the hurt this creates -- and that's the word used, the "hurt" it creates -- within the livestock sector, I think we need to take a careful look at that too, Mr. Chairman. When you can buy barley many places in the province at 95 cents to \$1 a bushel and many livestock products are selling at near record prices, it's difficult to convince beleaguered grain producers that they are somehow hurting the livestock sector. It just doesn't make sense. Many livestock products, I might point out for the benefit of members here, even though it's philosophically offensive to them, are under supply managed systems. Poultry products, eggs, dairy products all produce on a cost of production plus a reasonable rate of return formula. It doesn't matter to them how much their feed costs, because it's reflected in the price they receive. So they're not out there trying to undermine the incomes of grain producers. They recognize it's in their best interest to have the grain producers survive, and they're willing to pay that price.

There is some argument to be made, too, that with the tripartite stabilization plan that's in effect for slaughter cattle, the way averages are calculated the cost of feed is factored in there and the hurt that used to exist does not exist to quite the same degree. I point these out for the benefit of members opposite in the hope that it'll stimulate some more meaningful discussion on this issue. I say again that I recognize it's an important one.

I should comment on the feed grain market adjustment program the government had in place last year and this year. The minister can check the record as carefully as he wants but he won't find any place where I've criticized that program. Even though I don't agree with the political intent of the program, I recognize that it was a very important and valuable injection of capital into the Alberta economy at a level that this party supports. You know, we believe that if you can give money to the people that'll spend it, put money in the hands of farmers and producers, it builds the economy. So we support the program in that regard.

It leads me to consideration of a recommendation made by the Leader of the Official Opposition here the other day that the Alberta government, faced with the current situation in the grain economy in Alberta, make some active commitments to help grain producers in the province. I'm not talking about programs initiated last year, 10 years ago, or whatever. I'm talking about new and meaningful commitments to help grain producers confront the problems that are before them now. Not only did the prices drop 20 percent last year and 20 percent this year, but some of the costs, their inputs, are going up. I point out, as I did before, that fuel is going up some 34 to 43 percent for grain producers this year.

So it was on that basis that the Leader of the Official Opposition suggested that the government of Alberta seriously consider matching the federal funds flowing into Alberta through the special Canadian grains program dollar for dollar. How much does

that amount to, Mr. Chairman? That amounts to \$260 million. Will it be something that interferes with the marketing or planning intentions of farmers? No. I think we can do it in a market-neutral way by basing it on last year's production, work out the anomalies and the formula so it doesn't discriminate against the irrigation farmers in the south or some of the problems with farmers in the Peace River, and on that basis inject \$260 million into the grain economy, which I submit would have tremendous beneficial effects for the Alberta economy overall.

We can compare that to the way the government responds to difficulty in the oil industry. Mr. Chairman. If the oil industry squawks, they get multibillion dollar programs announced at the drop of a hat, and it's usually money that goes to people at the top of the industry in the hopes that it may or may not be invested in Alberta, may or may not benefit in terms of increased activity and generate economic strength in the province. You need to change the way you look at things, Mr. Minister, and support the Leader of the Official Opposition when he advocates the \$260 million injection into the grain economy of the province. And I think it's something that needs to be done right now because grain producers are up against it. They've never faced problems like they face today. We need to do something about that.

I'd like to refer to another issue that was brought to my attention, and it flows out of the economic crisis that farmers are facing. As the minister knows, there are a number of machinery dealerships around the province that are failing, that can't stay in business. Farmers aren't able to buy new machinery, and it's more and more difficult for these entrepreneurs in rural Alberta to stay in business. In response to the decline in new equipment purchases, the manufacturers have jacked up the prices of parts that farmers need to buy to repair their machinery, and I think it's an unconscionable example of how large corporations conspire to take advantage of helpless victims, if you will. Farmers who can't afford to buy a new combine are forced to pay the some 200, 300, or 400 percent increase in the price of parts that the machinery companies demand. I'd like to know if the minister is aware of that, and if he is, what sort of thoughts he has about something that he might be able to do to address the problem.

Another initiative I'd like to talk about -- the minister referred to it in the House again the other day -- is the issue of incentive rates. As members opposite would be aware, some six grain companies in the western provinces, along with Canadian National Railway, applied to the Canadian Transport Commission for incentive rates at selected western points, some 47 points in the prairie provinces at which a minimum of 18 car spots could be loaded at one time. I attended the hearings that the Canadian Transport Commission held in Edmonton, Mr. Chairman, on behalf of the Official Opposition, and I opposed the introduction of those rates. You're dam right I opposed them, and I opposed them for good reasons. Even though the rate initially applies to an elevator in Vegreville -- listen up, Vermilion-Viking; you'll learn something -- and an elevator in Viking. [interjection] I know that, and I recognize that. I have the foresight to think beyond.

What's coming in the future, what are the implications of granting incentive rates? I'll tell you what it is. Mr. Chairman. It's the introduction of a widespread variable rate freight system for the transport of grain, which . . .

MR. DOWNEY: It's a rationalization of the system.

MR. FOX: A rationalization. If you call the destruction and the abandonment of rural communities all across Alberta rationalization, you can have it, hon. Member for Stettler.

For the information of members, the rates on the transport of grain have historically varied. They've been distance related, and they've varied at a rate of half a cent per tonne mile. It's a very slight variation, and it has taken into consideration the distance from point of delivery to the eventual export point, and on that basis it's been reasonable. To allow the railways to introduce a very artificial economic variance into this system, I submit, would have a very negative impact on the farm economy and rural life in general.

What would it do? Well, let's look at the elevator in Vegreville. We've got a beautiful new United Grain Growers elevator there, a modern, efficient plant. It provides excellent service to farmers. I submit on that basis alone, through the basis of competition, competing with the Pool and Cargill in town and providing good service, that they have the potential to generate increased traffic, provide farmers with enhanced delivery opportunities, and do a better job overall. But when the railways decide that they're going to give a \$1.50-a-tonne break at that elevator, what does it do? Well, initially it gives all the farmers who normally deliver to that elevator a bit of a break, and on that basis, hey, it's a great idea. It will also have the effect of enticing farmers who live some distance from that elevator to deliver there instead of to their neighbouring communities. For example, they might be induced to deliver to Vegreville instead of Bruce, Holden, Mundare, Lavoy, Two Hills or Hairy Hill. So it would be perceived by some of those farmers as enough of a benefit to entice them to the larger centre in Vegreville.

But then, Mr. Chairman, what happens? The elevators already struggling to survive in these smaller communities become nonviable. There aren't enough producers delivering to them to keep them operating, so eventually the elevator company is faced with the decision to close those elevators, and then the railway, which is their ultimate agenda, gets to abandon the branch line before the year 2000, which they committed themselves to. Then you've got all of those farmers in the outlying districts having to deliver their grain to the central delivery point, and everybody loses as a result, including the farmers who live close to the elevator and benefit initially. Because what you get is a situation of severe overcrowding. You get more and more farmers traveling longer and longer distances to deliver to one central point.

AN HON. MEMBER: It's making more money.

MR. FOX: Making more money for whom? The system will be efficient for some, there's no doubt. If I were managing the railway companies, I would like to see a system of two tracks across the northern part of the province and two tracks across the southern part of the province. It would be very efficient. I could pick up grain at three or four points along the way, load 50- or 100-car unit trains with the same grain. It would be a marvel of efficiency. It would look good in the corporate brochures when I sent dividends out to my shareholders. But it wouldn't be very efficient for the farmers. How is a farmer up in St. Paul constituency going to feel when he's got to drive his grain 60 miles to get to one of these central elevators? How is a farmer down in the Sedgewick district going to feel when he's got to drive all the way up to Viking on Highway 14 there to deliver his grain?

MR. HAWKESWORTH: Yes, but the province will collect more tax off the fuel he burns.

MR. FOX: Well, it has impact on the province too, hon. member. It has impact on the municipalities who are obliged to maintain the roadways.

But we have to look at the provincial agenda. The Conservative agenda here is very clear. I was at that hearing. A highly placed member of the Minister of Economic Development and Trade's staff was there, and he said very clearly that the closure of an elevator in a small community has very little impact on that community. I submit that's a disgraceful attitude and a very wrong attitude and one that I'd like to see this government go out and try and sell to the voters of rural Alberta, see how they feel about it. A former Minister of Agriculture of this government also said that elevators weren't as important to communities as skating rinks were. I'd like the grain producers of Alberta to know that that statement was made too.

Other statements made by prominent Tory officials on this very issue are ones like: we would like to see the cost of rail transportation increase to the point that trucking grain becomes a viable economic alternative. What lunacy. At a time when we're trying to reduce costs and make a system cost-efficient, they're advocating increasing rates artificially so that we can make truck traffic competitive. There's no doubt that there are instances where moving grain on rubber by trucks is more efficient in the short haul than moving it on steel, but I think the system has in many ways rationalized -- to quote my hon. colleague -- a little bit too much, and we need to step back and take a serious look at it.

The minister likes to refer to how many groups in the province support some of these contentions: the incentive rate and the pay-the-producer concept. But the major farm organizations -- the one that represents grain producers -- don't feel the way the hon. minister does about it. And I think it's really unfortunate when you get a government that supposedly represents rural people going to hearings like that and acting like cheerleaders for the railways, enthusiastically endorsing a position which, when anybody who thinks about it for any length time, would have a negative impact on the economy of this province. I was proud to be there on behalf of the Official Opposition opposing that very bad idea.

The Canadian Transport Commission, unfortunately, made the worst possible ruling, in my mind. They said that they would . . .

MR. CHAIRMAN: Order please. The Chair is having a little bit of difficulty relating that to the votes before the House. Would the hon. member periodically come back to one of the votes before us, as opposed to a platform by the Official Opposition.

MR. FOX: Well, I'm referring to actions by this government. They spend their money sending their officials to meetings to make representations supposedly on behalf of the people of Alberta, and I think the people of Alberta need to know just what they're actually doing. But I'll move along.

I should have mentioned some things about this pay-the-producer concept that the minister likes to tout. The minister has hired a former Tory, a former minister of the Crown, to act in a responsible way for a committee that's going to pursue this political agenda, that's going to somehow convince the federal government to agree to this pay-the-producer pilot project. I'd

like to ask the minister: on what basis does he do this? Is there not sufficient representation for Alberta with 61 Conservatives here? Is there not sufficient representation of the Conservative way of doing things with 20 federal MPs in Ottawa? Is that not enough? Do we need more? Do we have to commit more of taxpayers' money to pursuing this Tory political agenda?

I note in one of the votes here, Mr. Chairman, one of the only things that has gone up in terms of expenditures for the Department of Agriculture is payments to MLAs. Where last year they estimated payments of \$4,104, they're estimating this year to spend \$71,293 in payments to MLAs, and I'd like the minister to tell us all about that. Is that money that's going to be paid to Tory back-bench MLAs to sit on the Planche committee to go around pursuing the pay-the-producer pilot project? If so, he might tell us some other things about that committee as far as what their activities are going to be. Who are they going to talk to? Are there going to public hearings at which there'll be opportunity for input on both sides of this important issue?

Another thing I should address is the number of ministers of Agriculture. As much as I like both ministers and have found them co-operative and and easy to work with, I think it's a needless extravagance to have two ministers doing the job of one. I'd be hard pressed to choose between them, Mr. Chairman, but if push came to shove, I'd flip the coin. You might say, "Surely I can't be serious." But I'd say, "I am serious, and stop calling me Shirley".

Another thing that needs to be taken note of here, Mr. Chairman, is that the associate minister's office last year, for some reason unknown to me, was rewarded with an increase in expenditures of 8.7 percent. The minister might take some time to explain to us what accounts for that increase.

Now, if I could find the rest of my notes here, I'd like to ask the minister some questions about the beekeeping industry in the province. I'm sure it's come to his attention that while the promise for beekeepers looked very bright last fall with projected high prices for honey, the industry has fallen on some very difficult times in the last few months, where prices for honey has dropped somewhere around 40 cents a pound for bulk honey in barrels. I just wonder if the minister has had any representations brought to his attention on that issue. And if he has, is he doing anything that would help beekeepers in some way confront that, working with . . .

MR. CHAIRMAN: Thank you, hon. member. The time has expired. Hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Wainwright, just a moment please. The Chair neglected to introduce to the members of the House the Associate Minister of Agriculture, the Hon. Shirley Cripps. Would either minister care to make a response at this time before the Member for Wainwright speaks? Associate Minister of Agriculture. [interjection]

MRS. CRIPPS: Surely you didn't forget me?

Thank you, Mr. Chairman. Yes, I do want to respond to some of the comments made by the hon. member as official agricultural expert on the opposition side.

I'd like to answer the last question that he asked first, and that is with regard to the associate minister's office. The associate minister's office last year was for 10 months of the year, and so the 8.7 percent increase is for the other two months. If you

take a look at it and work it out on a yearly basis, there would have actually been a decrease in the office expenditures if it had been worked out over a 12-month period.

AN HON. MEMBER: I thought it was for a long service award.

MRS. CRIPPS: I haven't got another \$100,000-a-year job, Mr. Member. I don't get those things. [interjection] That's right.

I agree with the member that it was time for a review of the role and mandate of ADC. I understand that he says it's now viewed as an enemy of the farmers, and in many cases that's true. There are people who are concerned with the lending and the financial difficulty they find themselves in because of over-extension of their borrowings in the past. I want to refer the member to his own task force review, No. 17. It says here:

There was also broad agreement that governments, financial institutions and producers share responsibility for the current crisis in agriculture and I assume you're talking about finance

and that all three groups must work together . . . for the benefit of all Albertans.

I concur with that, and I have to tell you that our own task force found exactly the same.

I notice in reading your report that you also noted that there's no easy solution, and certainly the farm groups that you met and the farmers that you met did not all agree on the solutions. We found the same thing, and it's very useful that you had that input from the public.

MR. CHAIRMAN: Order please. Would hon. members address hon. members in the appropriate parliamentary fashion.

MRS. CRIPPS: Sorry, Mr. Chairman. I apologize.

MR. FOX: Did you like the report?

MRS. CRIPPS: It's interesting, sir.

With regard to the temporary moratorium on foreclosures while the review is being done, quite frankly there's a far better mechanism than a temporary moratorium, and that's trying to work through the problems. The member said in his opening remarks that the lender needs to be willing to submit to the process under the Farm Debt Review Board. Frankly, the farmers and the lenders need to be willing to look at all of the alternatives under the process. I've talked to a number of the people who are on the Farm Debt Review Board, and in cases where a financially stressed operation is able to end up with a solution that benefits everyone, it's where there is flexibility not only on the side of the lenders but also on the side of the farmers. I can give you some specific examples of that, but I don't believe that this is the place to do it.

The member said in his opening remarks that the process should benefit the farmer. Mr. Chairman, there is more than one way of benefiting the person who is on the farm, and in some cases, if the farmer and the debt review board and the lender come to an agreement that the best benefit for the farmer is not to remain on the farm, then a debt moratorium would certainly not in that instance be of benefit to him.

The other aspect of the debt moratorium is that it dries up lending from other sources. And the one comment that the member made that I agree with and we do have to take some responsibility for is the ADC loaning for a viable economic unit in excess of what the borrower may have asked for at the outset.

The member mentioned loans going to 24 percent. Mr. Chairman, I must remind the member that that was not ADC loans. You have to go back to the Liberal government in Ottawa, abetted by the NDP, who allowed the interest rates to rise to 24 percent. I certainly will not take responsibility for that. In fact, the ADC loans did not jump; they remained at the 12 percent that they'd been loaned at.

Mr. Chairman, a far better solution than a debt moratorium is a workout plan, and with ADC there are additional alternatives which are looked at in an effort to help out the clients who are in the dilemma of financial stress. They look at all aspects: refinancing arrears, postponing payments, total refinancing, extending operating credit through loan guarantees, reamortizing arrears, and co-operating with other lenders to develop a manageable financial package.

We've also provided enterprise counseling services to assist people who are financially stressed. Quite frankly, I think those services should be made available to people before they reach the situation of becoming very financially stressed, and I've indicated that to the board of directors of ADC.

MR. FOX: How much was that reduced by?

MRS. CRIPPS: What reduced?

MR. FOX: The enterprise counseling?

MRS. CRIPPS: I also am concerned about the grain producers, and I recognize that some of the ADC loans who are dependent on grain are more developing serious situation, but the member must realize that they are also dependent on the livestock industry as a major source of market for that grain. You have to recognize that it's important that all of agriculture be healthy, not only the grain sector but the livestock sector.

The member talked about grain producers having an assured level of benefit or assured income, and the member might look at the hail and crop insurance review, which in fact did recommend a prairie grain revenue insurance proposal which we will be taking a look at over the coming months. It's not something that can be introduced -- if it were introduced -- on an immediate basis. It's something that has to be worked out with the federal government and would depend on co-operation from 10 other governments to do it.

I believe I've answered all of the questions that the member asked with regard to finance, Mr. Chairman.

Thank you.

MR. CHAIRMAN: Hon. Member for Wainwright, followed by Taber-Warner.

MR. FISCHER: Thank you, Mr. Chairman. First of all, I would like to commend both our ministers of Agriculture and the department on the good work they've been doing. Times in agriculture are very tough right now, to say the least, and I can't help but remember the statement that came from my seatmate here in his throne speech. He said that times were tough in farming, but I'd rather be a farmer in Alberta than in any other province in Canada. I couldn't help but think of that statement as we went over the department budget here, and I guess I'd like to just refer you to a couple of items that we are very fortunate in.

There has been a lot of discussion about the fuel price increase and so on, but we do have lower fuel prices here in Al-

berta than any other province. I would like to just give you a little bit of a rundown in the prices. My constituency neighbours the Saskatchewan border, and the people in Saskatchewan have to pay 31 cents a litre for their fuel when we can buy ours -- we have in the past bought ours for roughly 10 cents, with the fuel war. Of course, I know that our government can't take very much credit for that. [interjection] But yes, there probably was a bootlegging possibility with fuel selling at 3 cents a few weeks ago.

I also wanted to mention that we are fortunate too with the fertilizer rebate that we get. Our fertilizer prices have come down in the last couple of years. They've come down nearly \$100 a ton or \$80, and we're kind of hoping to see that come down a little bit more in the next year or so. These are pretty important features when you go to put a crop in, and especially fuel is one of our major input costs.

I think our farmers in this province should feel quite assured from our agriculture share of the budget. It shows that we are very much committed to the agriculture industry here. I would like to say also that with the communication and working together with the federal government on some of the GATT agreements, our trade arrangements and so on are very important to us, and I would like to ask our ministers to keep as careful a communication with our federal government on those particular issues as we possibly can, because any input that we can get into that is certainly very important to us.

I would like to say a few words on some of the long-term, important things that we can do as a government here to help our agriculture industry. And I know there are many things that are unfair right now in the short term, and they are worldwide things. Maybe we're going to have to wait out some of them. But I would like to see us with our new market development. I'd like to see us spending a little bit more money there. I see in vote 3.3 in the budget that we are increased 10.9 percent on our market development. Now, I know it's kind of a confusion between who does the marketing, whether it be our federal government or whether it be our provincial government, and I guess we have to realize that we're competing on a world market almost province by province. Even though it's going to cost more money, I believe we have to get out on the world market and sell. We're producing more than what we can sell, and that is where the blockade is holding us up. I believe that as a government we should maybe encourage our private sector to get out and sell more, and we might have to do that with incentives, but I'd like to see a major thrust in that.

One of the other areas that I think we have to address, and I don't know whether it's happening as fast as I would like to see it happen, is the removal of barriers between our borders. I know that our whole free trade issue is opening up a lot of unfairness between borders and a lot of tariffs, barriers between provinces. If our free trade issue does nothing else but show us all of those things in Canada that we are doing wrong and maybe help us remove some of those, then I think the whole free trade issue will be a success for us here.

I guess that other barriers that are bothering us -- and I don't know whether it's a barrier or not, but we are very restrictive when we have our Canadian Wheat Board handling all of our grain. It seems to me, as a producer, that I have to have more flexibility in where I can sell my grain. I know that we have to go on a quota system to be fair, but we also, in order to cut costs, have to be able to load producer cars, and we have to have the quota in order to be able to load them. We have to be able to use the futures market to protect ourselves, and we cannot do

that as long as we're going to restrict ourselves so closely with some of the regulations that come into our Canadian Wheat Board Act. I think possibly there could be some adjustments that would free us a little bit more so that that could happen. I know it's also a federal issue, but I would like to see us work together on that particular issue and possibly work together with Saskatchewan and Manitoba to try and work this out.

Also, in removing these barriers, a number of years ago we did have a few meetings with Saskatchewan and Montana to try and make things a little bit easier for us as producers. And I guess because of the expenses and so on we quit that. But I felt there was a lot of benefit to it, and I really believe that maybe we have to do it in a little different kind of a way or try and do it cheaper, but I think it should be done because there is a lot of unfairness crossing the borders and it's costly.

Another thing is our chemical licensing. Also, this is a federal issue, and I guess that we have to work together with them as much as we can. But the patent protection that our chemical companies get is restricting the price from coming down, and that's one expense that a farmer has to get down some way or another. Because of the protection that those companies are getting, I think there's a fair bit of room, and I know that the federal government has been working hard with that one.

I would like to also see our crop insurance program put together as a Canadian program and not as a provincial program. Otherwise, you're going to have another small subsidy to offset some fairnesses. I do know that we have been working on that together, and it's important that it go together as western Canada anyway, as a group, and not on its own.

Other than that, the establishment of our co-ordinating agency of agriculture research in this province is a very important step for what our industry will be in the future. Our Alberta farmers have always been on the leading edge of technology and have used our technology to its maximum benefit. We will retain our comparative advantage and standing as the world's best farmers with the continued and well co-ordinated research efforts there. That's extremely important to us. I know these are all very long-term remedies or fixes for our industry, but we have to look into that and far more so than our immediate future.

I would just like to say one thing about our incentive rates, and they come back into my restrictions and barriers again. Some of the things in the incentive rates that we talk about now and that we don't want are long-term, cost-efficient benefits. They'll be long-term, cost-efficient benefits to our producers. They will also be long term and cost efficient to the railways. Some of it might hurt a little bit when we're changing, but I think we have to realize that there are many expenses now for the elevator companies that are going to force part of this transition. Certainly the trucks are getting bigger. Every elevator has to put in a scale now long enough for the big grain trucks. It's very costly. The capital costs are labour-intensive, and certainly the cost of labour is not going to be going down. There are a number of things like that that are definitely going to force us to be more efficient with that, and I don't see any other direction for us to go with that.

With that, I'd just like to say to our ministers: thanks for the support you've given us. You're giving a good job. Keep it up.

MR. CHAIRMAN: Taber-Warner, followed by Cardston.

MR. BOGLE: Thank you, Mr. Chairman. The temptation to respond to a number of the points raised by the Member for Vegreville is indeed great, because he covered a wide variety of

areas that truly cause one to wonder. The two that come to mind immediately are the variable freight rates concern he has, notwithstanding the fact that one of the communities identified to benefit, where the farmer would receive a direct benefit, is in his own constituency, Vegreville. The other is the Crow benefit going to the farmer. The hon. member, and I'm paraphrasing, made reference to a fear of the unknown, a fear of what else might come. That's one of the reasons that there is concern by both variable freight rates and the Crow benefit.

It must be interesting to live in a world where you believe it's safer to sit in the closet with the light turned out and in the dark rather than come out and take some chances when you look at the challenges that our farmers face from the pressure from both the European Common Market and the U.S., to sit back and pretend that in some way if we hide in the closet in the dark the world will go by and we'll be all right. But I'm not going to respond to those things, Mr. Chairman, because that's the role of our ministers, and they'll get into that in due course, I'm sure.

Now that I have the attention of the hon. Member for Vegreville, I'm pleased that two weeks ago the Minister of Agriculture declared that we would have Soil Conservation Week, and that's indeed an important matter for the province of Alberta. With between 3 million and 4.5 million of our productive acres affected to some degree by salinity, wind or water erosion, solonchic soils, to mention but a few, it is critically important that we focus in as a government on ways to help our producers combat these challenges. And my specific question, Mr. Chairman, to the minister is: what measures is the government taking to tackle this serious problem in terms of applied practical research and rehabilitation?

Turning to another front, on Thursday, April 16, I was pleased to be joined in Taber by my colleagues the MLAs for Cypress-Redcliff and Bow Valley, along with our Minister of Agriculture and our Associate Minister of Agriculture, for the signing of the sugar beet tripartite agreement between the federal government, the sugar beet producers in Alberta, and ourselves. This was indeed an historic occasion. It follows the example set with the red meat tripartite agreement signed by the two levels of government and our red meat producers. Mr. Chairman, my specific question is: what other initiatives is the government of Alberta actively working on with commodity groups and the federal government in terms of the establishment of tripartite agreements? I'm thinking specifically of our pulse growers, and the bean producers quickly come to mind. I know there are initiatives being taken in Ontario with the white bean growers, and I wanted to know what initiatives are being contemplated here that would continue to respect the principle that it's not going to be mandatory, it will be a voluntary program accessible to the producers. It's not a payout; it's an insurance scheme, and it's intended to be market neutral.

My final question, Mr. Chairman, is with regards to the possible privatization of Alberta Terminals Ltd. I think all Albertans can be particularly proud of the actions taken by our government in 1979 when, through funding from the government, Alberta Terminals Ltd. was created to purchase the Canadian government elevators in Lethbridge, Calgary, and Edmonton. It's interesting to note that the crops and the commodities handled by those elevators vary somewhat. The Lethbridge elevator concentrates on specialty crops, soft wheat, winter wheat, board grains, and feed grains. The Calgary elevator, on the other hand, concentrates on the storing of malting barley, canola, board grains, and feed grains; whereas the Edmonton facility concentrates on canola, milling oats, and trans-shipment

of feed grain south.

In October of 1985 a new thrust was taken by ATL when they began their track-side, grain-loading facilities in the High Level area. Mr. Chairman, my specific question to the minister is: with this excellent inland terminal system that's been developed and that has matured since 1979, what safeguards does the minister have to ensure that if ATL is privatized -- and I certainly agree with that in principle -- what steps will be taken to safeguard that the control of ATL will not pass on to the hands of one of the existing grain companies? Would we be looking at a scheme similar to Alberta Energy Company, where the number of shares that can be held by any one individual or corporation would be limited to 1 or 1.5 percent of the total shares?

I'd like to conclude my remarks, Mr. Chairman, by again going back to something the Member for Vegreville said, when there was actually some condemnation for the fact that this government has two ministers of Agriculture. And that astounds me, coming from a rural member. First of all, in a dollar sense, there isn't a province in Canada that's made the commitment to agriculture that this government has. It's there, and I'd welcome a debate in this Assembly on a comparison. I'd welcome the hon. member wanting to bring forward what the socialist government in Manitoba puts forward. We can't even get the government of Manitoba to support its sugar beet growers, let alone support agriculture in general.

But in addition to the financial support we've given, we have, through the hon. members for Drayton Valley and Sherwood Park -- our Associate Minister of Agriculture and our Minister of Agriculture -- two Albertans who are traveling across this province, who are meeting with individual producers and commodity groups and other farm organizations, who are gathering input and ideas so they can bring those ideas back, share them with our agriculture caucus committee, with our full caucus, and with our cabinet and carry forward in meeting the challenges that face our producers today. And I can't think of a better way or a more positive way of showing this government's commitment to agriculture.

MR. CHAIRMAN: Cardston, followed by Bow Valley.

MR. ADY: Thank you, Mr. Chairman. I'd just like to compliment the ministers that we have working in agriculture, specifically for the effort they've made to make themselves available throughout the province. I've had the privilege of having the Minister of Agriculture in my constituency, and I know that it was appreciated. And I also know something of the itinerary of the associate minister and the places that she's been to speak publicly. I think this is an important thing to take place, in view of our present agricultural problems, so that the ministers can get a firsthand view of what people are really dealing with out there.

I'd just like to make a comment relative to the one made by the member of the opposition relative to a moratorium on farm debt. In my experience in the farming industry over the years, credit has always been an important thing to farmers. They've relied on it forever, and I suppose they always will. Even in the good years farmers have used credit. And if we would like to curtail that credit, all we need to do is put a moratorium on farm debt for as little as 60 or 90 days. I guarantee you that it will scare every granter of credit off into the woods for years to come if we do that, because immediately they see the danger of their funds being frozen by some autocratic government who just decides one day that they're not to be repaid and that some-

one can keep their money. It just doesn't make economic sense for anyone to lend into an industry which may have their funds legislated away from them. I just could never ever support such a move as that.

I do have some concerns that I'd like to bring forward from my constituency. One of them has to do with the increased cost of fuel, even though our farmers are still protected to the point of 7 cents a litre over and above the general public for their farm fuel input costs and there is a provision where they'll be able to put their crops in this year with the lower price. If they plan well, they can pretty well store enough, in most cases, to take their crop off. So 1987 is not the big concern, in my mind at least. I think the vast majority of the farmers can protect themselves by the fact that the price increase does not come into effect till June 1.

However, the question I have for the minister is: would he be putting forth some effort to petition the government to restore the 5-cent increase in the next budget year if our farm picture has not improved? Now, I know that our farmers are prepared to carry their share of the budget problems and the budget deficit, but all I ask is that the minister bear this in mind and perhaps take another look at it when it comes time to make up his estimates for the coming year and petition the Treasurer to restore that additional 5 cents we're putting on the price of fuel on June 1 to farmers.

The other thing I would like to speak to is that soil conservation falls under the mandate of the Minister of Agriculture. And we just had Soil Conservation Week proclaimed a few days ago. In my constituency I have a severe soil erosion problem. It takes place on the Blood Reserve, and it's brought about perhaps in part by some mistakes that were made years ago in some land being brought under cultivation that perhaps shouldn't, but not entirely to that. There is a vast tract of land that will blow when the wind blows hard on that reservation, and they're losing four and five inches of their topsoil, which will take generations to restore.

The Blood Band has had a study brought forward and very adequately completed to bear out what an irrigation system would do to control this soil erosion. My question to the minister is: will he give support to this proposed irrigation project on the east end of the Blood Reserve, which is imperative if they're not to lose as much as 25,000 acres of their reserve? They can't replace the topsoil; they're not going to be able to replace the land. It's imperative to their welfare that something be done to protect that, bearing in mind that the federal government has a responsibility to come on side and lead out in this project. However, it has to be a project that's done jointly with the provincial government, with the Blood Band. All I'm asking is that the minister make a commitment to work with the Department of Environment and put this thing on the tracks so that the Blood Band can have a project down there that will save their topsoil.

Thank you.

MR. MUSGROVE: Mr. Chairman, I would like to offer some congratulations to the two ministers of Agriculture on their efforts in coming forth with this budget. I must say that I was one of the people that strongly supported and recommended that there be two ministers of Agriculture. Agriculture is such an important industry in Alberta that I felt one person in that portfolio was overwhelmed with the problems in Alberta.

Mr. Chairman, I wanted to make some comments about vote 2.2 in the budget. In fact, I am referring to the farm feed stabi-

lization program and how it affected Alberta. It's unfortunate that it has to be reduced this year from the former \$21 a tonne to \$13 a tonne, because it was a good program. And because of budget restraints we have to look at the reduction. It was very successful in that it proved that there is a distortion in the value-added processing of western grains in the fact that it kept 150,000 head of feeder cattle being fed in Alberta that normally would have gone to other places in Canada and into the U.S. That not only proves that it was good for the value-added processing industry but it did feed up approximately 150,000 tonnes of feed grain in Alberta that would probably still be in the bins, adding to the glut of feed grain that Alberta farmers have on hand.

There is a misconception that it reduced the price of feed grain. Now, our experts that have studied -- and I mean on both sides of the issue -- tell us that it doesn't matter whether the price of a bushel of barley is 50 cents a bushel or \$5 a bushel, that distortion is still there. So it has not had any effect on the price of feed grain. This was a normal fluctuation in the price of feed grain. It just so happened that when the \$21 a tonne came into effect there was a decrease in the price of feed grain.

What surprises me is that our hon. Member for Vegreville stated that he is in agreement with the Alberta feed grain stabilization program, but the NDP and the Liberal Party are completely against the method of payment to the producer. I don't understand that because, as I said, the Crow offset program has proven successful. Now, if we were to pay the producer, that would take away the need for our farm feed stabilization program and save the province of Alberta \$44 million in this current year, and it solves the same problem.

Now, the hon. Member for Vegreville mentioned that they're afraid of what might happen if we were to pay the producer, and what I don't understand is why the opposition parties don't listen to the facts. The facts are that there would be a bit of dilution in the amount of money paid to export grain producers. That is very minimal compared to the distortion that our value-added processing -- as a matter of fact, I believe that the dilution amounts to about 20 percent, whereas the distortion amounts to about 80 percent. So to the people in Alberta there's a substantial benefit for us paying the producer.

Now, I think a bit of history on the Crow rate might be of benefit. Actually, the Crow rate was established back in the 1800s when the railroads in Alberta were built, and it was very effective when there was no value-added processing in Alberta. As time went on, the railroads didn't refuse to move but they cut down on the amount of export grain they were moving because they said they were losing money at it. So the federal government have decided to pay up to \$638 million a year in lieu of the Crow rate. Now, times have changed considerably since the 1890s, and now western Canada is not necessarily an exporter of cereal grains but does have value-added industry. The unfair competition took place because eastern feedlots or processors of our cereal grain had an unfair advantage over western processors because of the Crow rate, so in order to keep value-added processing in Alberta, we have to change to pay the producer. Those are the facts. The 80 percent distortion that takes place is a fact, and so why our opposition members will not agree to the method of payment being to pay the producer I don't understand.

The other part of it is that if they pay the producer, then we could go into variable rates for grain because the farmer then would have the Crow rate benefit in his pocket and he could go out and shop for the best freight rates for shipping his grain to

tidewater. That would allow him to look at ways of reducing the transportation costs, because then he would pay the full transportation cost. So he could look at any type of reduction that he could get in the transportation cost.

Now, I have a pamphlet here called Straight Talk about Grain Transportation. That outlines very well what would happen if we were to go into variable rates, and that would certainly enhance the pay-the-producer method of payment for grain transportation.

Mr. Chairman, those were just some of the facts that I wanted to bring out about method of payment. Thank you.

MR. CHAIRMAN: Leader of the Liberal Party, followed by Lacombe.

MR. TAYLOR: Thank you very much, Mr. Chairman. I will try to be as brief as my friend and former neighbour from the south, from Bow Valley. I just wanted to hit a few points very lightly and then talk about two major issues that I see bothering farming. One of the major issues I'll be talking about is the question of chemicals and the system we work up for aid to the farmers.

The first issue I wanted to touch on very quickly. I think there's no question that one of the things that maybe has been lost in the shuffle of a Triple E Senate or the case of Quebec and the Constitution is the way our first ministers and maybe the government over there are not taking the initiative they should -- and if not that, maybe the other Tory Premier in Saskatchewan -- in putting together some sort of a GATT type of agreement between the provinces. I think Alberta would stand to gain in agricultural trade if we could put some heat on and put together an organization. I'll admit that it would probably be like GATT in the early stages; it wouldn't have any particular teeth to be able to fine anyone. But I think it would be able to draw the public attention to what provinces were undermining interprovincial trade. Interprovincial trade, particularly in agricultural products, I think is good, and we have to go at it in a lot different way than we have. We can somehow or other get down to talking about free trade with the U.S., but we can't seem to work out a mechanism of free trade between ourselves.

Secondly -- this is a very quick point -- I think many of our beginning farmers in Alberta that took the money at 6 percent are now being faced with a jump in the interest rates, and I would ask that the associate and principal ministers of Agriculture look at the idea of maybe phasing it in. I know that it's a free society and they didn't have to borrow so much, but when you're young and impetuous and have a banker that's got an itchy palm and is trying to get the money out and the grass is green and your wife is beautiful and the newest child has just come back with a good report card, it was awful easy to borrow too much money, especially when it was at 6 percent. You'll remember that at one time that market was 18, 20 percent. So it's a little bit like being turned loose in King Midas's gold shed. Some took on too much money.

I think, though, there's no particular advantage being served to Albertans if we are tough on them now, and maybe the gradual raise from 6 percent back up to the higher rate -- I believe it was going to be 12 -- maybe it could be accomplished at 1 or 2 percent a year. I believe it's now 3 percent. It's a 3 percent increase. I think you've limited it to a 3 percent increase; they go from six to nine. And what I'm getting at is that I think it should be maybe done only about 1 percent to 2 percent a year. I was just thinking that maybe us grey-haired people -- surely

we're being a little bit too tough in saying that if they borrowed too much, they've got to jump to nine whether they like it or not. However, I throw that on your bench.

The Crow rate. It's a nice thing. I hear everybody saying, "Well, we're going to pay it to the farmer." The farmer suddenly gets a vision that maybe tomorrow morning, if he continues to be nice to his wife and he continues to keep his blue and orange membership card paid up, all of a sudden there will be a lump sum payment coming out from Ottawa to him -- only him -- and there he will have \$100,000 or \$150,000. But I'd like to hear the people over there tell me just how that's going to be paid. Who will get it? The barley growers, wheat growers? Sure, that sounds like it. How about a carrot seed grower? How about a market gardener? Who is going to get the money? Is it going to come in a lump sum? Or is it going to be like Kathleen, mavourneen, and maybe even for years and maybe forever? In other words, is it going to take a couple generations? Three generations?

I'd like to see some specifics from these people that say, "Let's pay it to the farmer." This idea of dangling some sort of a gift in the air, that if you continue to vote Tory and indeed Mr. Planche is successful in doing his lobbying, somehow or another there's going to be a bag under your tree come Easter or Christmas -- I think we'd like to get right down. What do you mean when you say, "Pay the farmer?" Cash? A chit? Down the road? With the land? What happens if he sells out 24 hours later? Let's get down and spell it out.

All right, the next thing: raising hay. I know that around Alberta there are a lot of people that raise hay. I know that over there you've failed to make hay for the 20 years you've been in power. Nevertheless there are people that raise hay for a living, and they are being unfairly discriminated against by having the already cheap grain production get another cash bonus [inaudible]. So here we have grain that's being brought in, in some cases from Saskatchewan and Manitoba, to a producer in Alberta getting the subsidy from the Alberta government -- and I know the minister doesn't call it "subsidy." I forget; he has some fancy word. But it's cash. It's cash you put in the thing. They get a subsidy for using this grain that's coming in from another province, and where there's hay, local hay, it's supposed to get by with no subsidy. Actually, a free enterpriser, somebody that these people over there would usually treat with a great deal of admiration. Here a hay producer gets told: "No, no. We can't do anything for you. We can subsidize the guy that's using barley, we can give cash payments to bring in grain from Saskatchewan, but no, you, the local hay grower, you're supposed to be tough. You can survive that." The very fact that the depressed grain market plus the subsidy depressed your hay market out of sight doesn't matter.

[Mr. Musgreave in the Chair]

Next, a very short and quick one. I've had instances -- and this again I think goes back to the associate minister -- where the people that run Alberta Hail and Crop Insurance are trying to collect past dues from farmers that have gone through bankruptcy proceedings. I think that's not only inhumane, I think it's illegal if they went to it, but they shouldn't have to go for lawyers, and I would like to hear the minister's comment whether it is indeed a policy of any agricultural department in the Alberta government, whether it is hail insurance or anything else, to go after a farmer after he or she has declared bankruptcy and they have started up again; in other words, try to collect a

debt. Because bankruptcy means that they've gone through enough tough times as it is, and it means that their slate is clean. No department of government should go back and try to collect a debt that was incurred before they went bankrupt.

Now, let's talk about two major items that bother me a lot, and I think it's been gone over. I know you're going to hear this from me, and you're going to hear it ad nauseam; that is, the negative income tax system or a method of giving aid to the farmers. I had a tremendous boost in the last short while. Yesterday I received a telex from Khartoum in the Sudan, from whoever is in charge of the United Nations development program in agriculture there, a Mr. Allan Chambers. I don't know him; maybe some of you people know him. I think he's been associated with Alberta at one time, a professor. He brings forward the fact that he was very interested in hearing that our green paper had come out and the point that it was divorcing income support programs from price support programs. He points out that he'd just come in from Australia where Australia is trying, for their agricultural industry, to divorce the income support programs from the price support programs.

This, I submit, we have mixed up here in agriculture, particularly a Conservative government, which is really surprising, because at the heart of modern day conservatism, the high priest of conservatism, Mr. Freidman, talks about support to the individual, not into price support programs, not controlling the market. Because if you're going to move to a free market, one of the few ways you are going to be able to move towards that free market is to ensure the income of the individual, not through price support systems, but to direct -- just as we've done already in the industrial sector, where we have unemployment insurance, welfare, and various other things for an industrial worker. We don't tell the industrial worker, "You go down and sole half a dozen shoes" or "You go down and sweep some streets." As a matter of fact, when we talk about the industrial worker even having to work on welfare, we go ape. We consider it absolutely inhumane. But we say to the farmer: "Oh, you've got to work for your money. You've got to raise so many bushels of barley. We don't give a damn if the world is flooding in it or you're drowning in it, you've got to raise so much more."

In other words, the income support idea has not invaded the agriculture sector yet. It's being put in in Australia; some of the Third World countries are looking at it very seriously. I think the income support idea for the farm family is here, and it's about time. I would have expected a Conservative government that hopes to go to a free market anyhow would be one of the first to really go at it and do some research, because you're not going to get to a free market unless you get to an income support system.

The second thing I wanted to touch on, Mr. Chairman -- it bothers me and I think there is very little work done -- is the whole field of chemicals. After many years of living in the country, I moved off to the big city to make my fortune and lose it, make my fortune and lose it, make my fortune and lose it; I think I did it about three times in the big city. I'm out living in a rural area, and I'm absolutely appalled. This is after 30 years or so, 40 years, moving out to a rural area to see what's going on. TransAlta, a public utility, is going up and down the road allowances -- I practically had to get a shotgun to stop them -- poisoning the whole bloody borrow pit to make sure nothing grows so something won't get up under the power line. I can imagine what that's doing.

I went down on my own hook to a farmer a couple of miles

north and got some water out of the dugout that they're feeding their cattle with. took it into the cancer institute. There are carcinogenic minerals in the water. And I would say to you people now -- and it's all right; you can sit down and think about it -- that sometime within the next one, five, or 10 years all of a sudden there are going to be tests to show that our eggs or our meat and our beef or our barley have chemicals in them that are carcinogenic or that are injurious to health. And all of a sudden you've got a farm system you're going to have to dechemicalize -- if you can pardon the word and if I'm not coining -- the whole bloody industry. And it is now that we start doing some thinking ahead of time, we start looking at it. Right now the whole idea is: get them cheap chemicals; spray the countryside; it doesn't matter about your water table, doesn't matter about the surface. But the point is we're well along.

To me it was absolutely appalling -- and maybe it's because I've been out of it so long -- to get out and see what farmers are doing, get out and talk to them and see that they won't drink their own water out of a creek that flows by a farm. It used to be that you worried about the big city slickers dumping sewage. Now you don't; you worry about your neighbour next door dumping pesticides and herbicides in the water. So it's gone far beyond what it should be, and we're doing nothing about it. The Minister of the Environment says, "Oh, we're not too concerned about that." The minister of wildlife says, "Well, that's on the road allowance." You heard his comment just a little earlier here today. "Oh, well it doesn't matter. They were doing that 25 years ago. It's just a good practice." I mean, as if that's an argument for it.

No, we are in a position, we're just that close -- Rachel Carson talked about it in her *Silent Spring* maybe 25 years ago -- to our whole agricultural industry . . . And we in the west will suffer more than anyone else when tests start being made, and the consumers starts saying, "No, nyet, I will not buy it. I will not buy that beef or that pork, because it rates so much chemical." It won't be a case of just walking out the farm door and throwing the chemicals away, because it'll have so saturated your soil, so saturated your water table, so saturated the whole food plan that it'll take millions and millions maybe billions of dollars to clean up. I think that this government is asleep at the switch when they come to it, particularly in the answers I've been able to get in the last year from different officials. It's as if to say, "Well, you know, the sun's been coming up and setting all these years. We can't change anything; that's the way the world goes."

I think we have to have a plan. It is not by accident that many consumer places, stores, are now having little comers set off to say: naturally grown this, naturally grown that. The chemical tests to prove it are very hard right now, but they're becoming easier and easier. It won't be long. It would be an awful shame indeed if our so-called subsidized barley producers were to be told around the world: "We don't want your barley no matter how much you grow, no matter how much you subsidize it, because it has X, Y, and Z in it. We don't want your beef. We've already had some flash. We've already had some warnings. We've already been told a couple times. Your pork isn't acceptable, because you've been using certain chemicals. Your beef isn't acceptable because of certain chemicals." Instead we puff ourselves up and say, "Well, those bloody Yankees don't know what they're talking about." But what it is is a warning. It's a flashing warning, and I think our ministers of agriculture would be well done indeed if they took a look at that warning, took heed of that warning, and started working out

a plan where we could, as I say, dechemicalize our agricultural industry.

Thank you very much.

MR. DEPUTY CHAIRMAN: The Member for Lacombe.

MR. R. MOORE: Thank you, Mr. Chairman. Well, I'm not appalled like the leader of the Liberal Party. I'm not appalled at what's out there in the farming area. I saw it all along, and I'm very satisfied with what I see, but apparently he wakes up now and again in a dream world and is appalled. I know our good minister will reply to him and tell him all about payments to the producer. It's amazed me. I say amazed; I wasn't appalled at the fact he didn't know anything about pay the producer, but I'm sure he will know all about it by the time our hon. minister replies to him.

I'm very pleased tonight. I see this budget here as put before us and debating right now. When I look at the economic times we're going through and I look at the other provinces and I look right across Canada and see what has happened and see what we're doing here and what we're going to do with a reduced budget, it shows a responsible approach. We've reduced the budget by 40 percent in these economic times and still have the best program, still our farmers are better off than Manitoba or anywhere else in Canada. We did it by a reduction in the budget, which shows a very responsible approach to the economic times we all face. We're showing a leadership role not only for agriculture but for the taxpayers also.

Now, there are a few questions. I don't want to go on and talk about the many terrific programs we have. I would like to and I would like to compare them to Manitoba just so that we would here in this House have a clearer understanding of how we shape up against the socialist state. I would like to do that, but that isn't in the budget, so I'll leave that for another day.

My question to the our hon. minister. [interjections] Mr Chairman, it's nice to be popular, and I have my support section over here, and I hope that people recognize that. I appreciate them. Even when I'm talking agriculture and the fearless leader of unionism is with me, and I'm sure that shows a sign that we're on the right track.

My question, first of all, to the minister -- and I'd like to hear his reply to it -- is in regard to vote 2. Vote 2 is support for the primary production area of agriculture, and under the primary production area, we see a 41 percent cutback this year. The one thing I would like to hear is: will this cut impair the effectiveness of any of our important production-oriented programs? That is a serious question I'd like to have addressed. I think if it relates to cuts within the bureaucracy, it's a right move. It's a move we've all looked forward to, and we just want to make sure that these cuts aren't at the expense of the farmer at the other end. I'm sure the minister will have the answer to those questions there.

Another question is on vote 4, the field services end. Field services is basically out there doing right, working hand-in-hand with the farmer, and it has a 15 percent cut. Again, I have the same concern, that a 15 percent cut is not going to take the people that are right out there on the front lines working with our farmers. I want to make sure that in a 15 percent cut this is coming out of the so-called administration or unproductive area as far as farmers are concerned out there within that department.

Those are two major areas I have: that we do not in our efforts to economize minimize our important efforts that we've had over the years, work put out there on behalf of the farmers,

that we are working on behalf of the taxpayers on this one. I have the full support of the Member for St. Albert on this. He knows we always look at the taxpayers and save them money, and he is agreeing, in full agreement. This is reassuring. [interjections] I agree.

Now, to show you, Mr. Chairman, that I agree with my support section here, those are the two major questions I had. I will sit down and give the minister a chance to tell us about the worthwhile programs we have out there and how this budget is going to address the problems of agriculture in Alberta. I'm sure that with the pipeline that the people to my right here have to Manitoba, they will be sending some of this material down to use as an example for Manitoba to improve the welfare of the farmers in that area that are totally unsupported by a government of socialist origin.

MR. DEPUTY CHAIRMAN: The Member for Grande Prairie.

DR. ELLIOTT: Well, thank you, Mr. Chairman. It's my privilege to take part in the discussion this afternoon, and I'd like to start by relisting some of things that have already been said. I particularly want to compliment the two ministers involved with the Department of Agriculture and their staff and thank them for their help which they have given me as the Member for Grande Prairie and to constituents from our area.

I only wish to make reference to one item this afternoon, Mr. Chairman. I'd like to talk about agricultural processing, and I would ask the ministers to consider my comments in view of how their budget funding will be spent with respect to processing. And to make my point, I'm going to refer generously to a letter which I've received from a constituent, Mr. Burt Freeman, a public accountant, and he says he's also a farmer of 610 cultivated acres. In his letter to me recently he says that he sat down to breakfast this morning for a breakfast of porridge, and while eating he began reading the package in which this cereal came. The first thing he noticed was that he was eating pure, whole-grain cereal with no additives and no preservatives; in other words, plain old rolled oats that had been hulled. He says:

I next thought of the 4,000 bushels, of the 136,000 pounds of oats that I had harvested last fall, and of all the people my oats would feed.

And he found this rather a satisfying feeling. However, when he noticed that the store price label indicated that he had paid \$3.71 for 2.25 kilograms, or five pounds, of rolled oats, he began to become concerned.

Now, I would like to tell you about that bag of rolled oats, Mr. Chairman. If I were a freewheeling maverick member of the opposition I could display it without any hesitation, but being a disciplined member of the government, I have to be more cautious, and so I will just describe the bag. It's about 11 inches long and about seven inches wide and about four inches deep. The top half is red and the bottom half is blue and it has on it: Quick Quaker Oats, 2.25 kilograms. And here's the point that Burt Freeman makes:

I enclose this package full of my oats for which the Wheat Board pays me 5.1 cents per pound. This means that I, the farmer, can only squeeze 25 cents worth of my oats into this five-pound cereal package. Therefore, between my farm in the Beaverlodge area and the store shelves these oats increase in value at the rate of 1,384 percent.

To the ministers now I would ask: do we have research programs in our agricultural food-processing areas that could give

some indication as to why we have this ridiculous . . .

MR. DEPUTY CHAIRMAN: On a point of order. Hon. Member for Grande Prairie, I wonder if you would mind putting that bag out of sight, because as you know it's not . . . Thank you.

DR. ELLIOTT: Sorry, Mr. Chairman.

I am concerned though, Mr. Chairman, about that ridiculously wide spread in markup. A 1,384 percent change in price is a concern to me as well as it is to the oat producers in Alberta. Another question is: why are we eating Ontario oats? Do we not have a system where Alberta or western Canada oats can be processed, rolled, and sold on our store shelves as a breakfast cereal? And the other thing that bothers me about this whole discussion is that ridiculously low price for oats at this time in western Canada.

On behalf of Mr. Freeman and the oat producers in Alberta and indeed all of western Canada, I offer these questions to our ministers. Thank you very much.

MR. DEPUTY CHAIRMAN: Mr. Minister, did you wish to respond?

MR. ELZINGA: I think what I'll do, Mr. Chairman, if it meets with your consent, I believe the hon. Member for Edmonton Calder would like to say a few words, and then we'll do our level best to wrap up and see if the House is at all in an agreeable mood to pass any of our votes.

MR. DEPUTY CHAIRMAN: Member for Edmonton Calder. [some applause]

MS MJOLSNES: Whoa. Thank you, thank you.

Thank you, Mr. Chairman, and thank you, Mr. Minister for giving me the opportunity to speak. I'd like to start off by saying that we've heard a lot of wonderful things about the Tories and what the Tories are doing for agriculture. I would like to take this opportunity to remind the members in the Assembly today that it was one year ago that the New Democrats in Ottawa initiated an emergency debate that eventually led to the \$1 billion aid program to the farmers. I would also like to remind this Assembly that it was the New Democrats last night in the House of Commons who initiated debate on the plight of the farmers and kept the House of Commons in debate all through the night, despite the fact that we have 21 MPs supposedly representing the farmers in Ottawa.

I had an opportunity last fall to participate in our task force that traveled throughout the province. I joined my colleagues from Vegreville and also Athabasca-Lac La Biche to be on the task force. We talked to many Albertans on the task force. Many men and women who made presentations to us were very, very disheartened as to what was happening to them, their families, their farms, and their way of life. They were so disheartened and frustrated that many times the people making presentations to us broke down into tears. That part of the task force sticks in my mind the most. The problems are very real to these people. In the Grande Prairie area, for example, one woman came to us telling us about how her neighbours had disappeared over the years. One of the problems was that ADC was taking a lot of the land around the area and around where she was living. She was feeling very isolated and lonely, as was her family. The stories went on and on, and I'm sure that the ADC, when they were traveling the province, also heard stories

like those. These are serious concerns for these people.

We know that the suicide rate for farmers in this province - according to statistics gathered from the medical examiner's offices, the suicide rate for Alberta farmers was 40 per 100,000 compared with 18 per 100,000 for the rest of the province's population. These are statistics from 1984, and we know that the economy has worsened since then.

I would like to ask the minister if he in fact has taken a look at establishing some type of crisis line throughout rural Alberta, because I know that when we were on the task force we heard from many people that needed counseling. They were in need of some kind of support. Yet living in a rural area, we all know it's very difficult to come forward with problems that you might have, because as many of us might know if we are from a small town, not only does one person know but the whole town will know. Many people are reluctant to come forward with those kinds of problems. I think that's something we need to look at for Albertans.

One other brief comment is that many of the farmers we talked to also brought forward concerns about child care in the rural areas. Because of the economic crisis in rural Alberta at the moment, many women are joining their husbands to help out with the farm work, and there is cause for concern about what to do with their children. I would ask the minister if he's had any contact with the Minister for Social Services to try and deal with this problem. Either we're looking at seasonal child care or whatever. I imagine it would have to be flexible, but I think it's time we started looking at those issues.

Thank you, Mr. Chairman.

MR. ELZINGA: Mr. Chairman, just prior to responding -- and I think I can quite adequately do it to the number of questions that have been raised -- I believe there is some warmth to approving vote 1 and then our jumping into more conversation and debate on the estimates. So if I could trouble you, sir, to put the question on vote 1, then I would respond to all those very excellent questions that were put during the course of the estimates.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Are you ready for the question on vote 1?

Agreed to:

1.0.1 -- Minister's Office	281,238
1.0.2 -- Associate Minister's Office	209,665
1.0.3 -- Deputy Minister's Office	183,446
1.0.4 -- Farmer's Advocate	292,016
1.0.5 -- Surface Rights Board	1,606,393
1.0.6 -- Finance and Administration	2,091,574
1.0.7 -- Personnel Services	673,895
1.0.8 -- Information Services	\$2,859,528
1.0.9 -- Systems Development	\$2,710,727
1.0.10 -- Library	\$348,902
Total Vote 1	\$11,257,384

MR. ELZINGA: Thank you very much, Mr. Chairman. I'd like to with great sincerity indicate my thanks to all members in the Chamber today, because quite frankly I think this is the way the estimates should work, whereby we do have very direct and pointed questions, and I think we all participated in a very meaningful way.

I'd like to respond, and let me begin by going backwards. I

was in conversation, and I regret so, with the hon. Member for Vegreville, so I didn't catch all the questions from the hon. Member for Edmonton Calder. But on the distress line and the crisis line, that I also know is referred to in the report that has just been tabled by the New Democratic Party, we are giving consideration to that and hope we will have something to report. We are working with the hon. minister responsible for community and occupational health, and we're also looking at that possibility ourselves as it relates to a financial distress line. But hopefully at some future time we will have more to report on that.

[Mr. Gogo in the Chair]

I want to commend the hon. Member for Grande Prairie on doing a super job in representing his constituency. We were there in Albright with him some weeks ago when we had the opportunity to meet with Bert Freeman, the individual he referred to. As he is aware, we do have funding allocated for food processing within our budget. We've got the Canada/Alberta marketing and processing agreement, the nutritive processing agreement. In addition to that, we have our food-processing laboratory at Leduc that is very helpful to the agricultural sector.

The hon. Member for Lacombe had some questions related to vote 2 and vote 4. Let me indicate to him that we feel we can increase the efficiencies within our department. We're going to do our level best to do so. There are some budgetary reductions, admittedly so, but it's so important to recognize that our total overall agricultural budget is close to a half a billion dollars. If he would like some specifics as to where those reductions are taking place, I'm more than happy to share those specifics with him. Rather than go into any detail right now, I will leave him with the commitment that I shall do so.

The hon. Member for Westlock-Sturgeon indicated to us his wish that we would give greater emphasis to removing the barriers between interprovincial trade. That's exactly what we are doing as a government. The minister of economic development has been very aggressive in working with the other provinces. He also indicated his desire that we would give consideration to income support. That was one of the prime recommendations of the hail and crop report we just received, whereby there would be some type of income or cost-of-production support. As he is aware, it will require federal government consent also. We are negotiating with them, but it is our hope and our desire, in the event that we can find the revenues and receive the concurrence of the federal government, to go that way.

I must indicate -- and I do so with a bit of reservation. As the hon. Member for Westlock-Sturgeon is aware, his provincial constituency is part of our old federal constituency, and I still have a number of dear friends in his constituency. A farmer told me that it was just recently that the hon. Member for Westlock-Sturgeon was out making a tour of his constituency and was visiting with a farmer. He happened to look down and noticed he was stepping in a great big bull pie. The hon. Member for Westlock-Sturgeon looked down, saw the bull pie, looked up at the farmer and said to the farmer, "Doggone it, I must be melting."

MR. TAYLOR: I just stepped in it. I don't smoke it.

MR. ELZINGA: The hon. Member for Bow Valley, too, raised some very legitimate concerns as it relates to our Crow offset program, and I must say I'm going to deal with that in a more

detailed way when I deal with the hon. Member for Vegreville about the distortion of the facts as he related them as it related to the offset and the method of payment. As the hon. member is aware, we extended this program. It was due to expire at the end of March. We extended it to the end of June. Beginning July 1 we're going to have our Crow offset program, admittedly with reduced funding, as he indicated, because of budgetary constraints. In addition to that, we found the actual economic distortion was something less than the \$21 we were paying. But it is something that we hold very dear to our heart, and that's why we're extending the program, to show that we do have a deep commitment to the livestock sector.

The hon. Member for Cardston put a very direct question as it relates to the farm fuel allowance. I think he indicated that it was reduced to 7 cents. I'm sure he didn't mean that, because as he is aware, it's going to be reduced to 9 cents on June 1, and that's because the 5 cent fuel tax is not going to be applicable to the farming population. There is no denying the fuels are going to be more expensive for our farming population, but again he pointed out so well that with a little bit of proper planning it won't have that great an effect this year. And yes, I do leave him with the commitment that when we go through our budgetary process in the next year, we will give full consideration to hopefully increase the level as it relates to the farm fuel allowance. Because as he does, my heart goes out to the agricultural sector, and we're going to assess on an ongoing basis our programs to make sure that they are responsive to the agricultural sector.

He also raised some concerns related to soil conservation, as did the hon. Member for Taber-Warner. As he is aware, the week prior to our recess, about 10 days ago, we just signed a \$6 million agreement with the federal government as it relates to soil erosion, a project that is going to take place in Vegreville. We were happy that we could sign the agreement with the Hon. Don Mazankowski. We were regretful that the hon. member from the provincial riding of Vegreville wasn't present to see that historic occasion, but we're delighted that we can participate in a very meaningful program.

As it relates to the Blood Reserve, I'm working very closely with the Minister of Municipal Affairs and the hon. Minister of the Environment to see if we can't involve ourselves in that. Bill McKnight, the federal minister, has contacted me also, and we're hopeful that we can do something positive for the individuals on the Blood Indian reservation.

Again, the Member for Taber-Warner -- we're delighted we did have the opportunity to be with him and a number of other colleagues from southern Alberta to sign the tripartite agreement for sugar beets. We are presently working on a tripartite agreement for the bean producers. As he is aware, too, we have a dryland salinity investigative service as it relates to soil conservation, and I refer him to the comments I just made to the hon. Member for Cardston as it relates to soil conservation.

ATL: my thoughts are exactly the same as the hon. member's, whereby in the event that we go through a privatization process, we have the producers directly involved rather than some large corporate body taking over Alberta Terminals Ltd.

The hon. Member for Wainwright -- I congratulate him also, and I just wish to underscore what he did indicate as it relates to the importance of the trade negotiations with both the United States and the European Economic Community. We are going to work very vigorously with our federal counterparts to ensure that that does take place. I too commend him, after touring his constituency with him, on doing just a super job of representing

his constituents in the Wainwright constituency.

I close off with the hon. Member for Vegreville. I've only got two minutes, so I'm not sure I can do the hon. member justice. I want to start out by thanking him for his kind comments in Hansard of March 26, when he participated in this debate, when he paid tribute to the outstanding job we were doing for agriculture and indicated, and I quote: "It would be remiss of me not to congratulate the minister for the job he did." He goes on to say that he thinks, "He's fulfilled that well," and I thank him kindly for those kind comments. I also hope to use them during the election campaign whenever it does come up, because he does appreciate the superb work we are doing for agriculture.

We acknowledge in all sincerity, though, that there are difficulties. But we're going to do our utmost with innovative ideas to approach them with fresh ideas rather than -- as the hon. Member for Taber-Warner indicated, we're not going to climb in the closet and shut out the light and hope the problems go away. But I do want to indicate to him just a small concern, and I'm not going to do so in a negative way. I'm a little puzzled ... [interjections] No, I say that sincerely, because I recognize that all members here are legitimate in their viewpoints. We differ in our philosophy. But he indicated, as he referred to the two ministers, that he wanted to flip a coin and then he would take the position. And that's what he does with so many positions. He flips a coin and then decides what way he's going to go. That's exactly what he's doing with the pay-the-producer method. He indicates to people on a personal basis: "Listen, I'm not opposed to that; it's my party that's opposed to it." I hope you recognize that. Now, that's rather difficult to support ...

MR. CHAIRMAN: Excuse me, hon. minister. The Chair is observant of the clock. The Government House Leader may have a comment.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1988, for the department and purposes indicated: the Department of Agriculture, departmental support services, \$11,257,384.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: So ordered.

MR. CRAWFORD: Mr. Speaker, I move the Assembly now adjourn until tomorrow at 2:30 p.m.

MR. SPEAKER: Before the Chair puts the motion, I'm sure all hon. members would join me in wishing the Sergeant-at-Arms a

happy birthday. [applause]

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

