

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, May 19, 1987 8:00 p.m.**

Date: 87/05/19

[The Committee of Supply met at 8 p.m.]

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

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

**ALBERTA HERITAGE SAVINGS TRUST FUND
CAPITAL PROJECTS DIVISION
1987-88 ESTIMATES OF PROPOSED INVESTMENTS**

MR. CHAIRMAN: This evening, under Standing Order 58(2), we will be discussing the Alberta Heritage Savings Trust Fund capital projects division estimates. Would hon. members please confine their remarks to section 62 of the Standing Orders.

Before we begin -- and we'll take the names in a moment, if that's all right -- the hon. Minister of Agriculture has requested in his opening comments that he would refer the votes 1 and 2 to the Member for Cardston and the hon. Member for Chinook for some comments subsequent to his remarks.

MR. HAWKESWORTH: A point of order, Mr. Chairman.

MR. CHAIRMAN: Member for Calgary Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Just to ask if we could anticipate any sort of response from the Provincial Treasurer to some of the questions posed last week when we were in Committee of Supply reviewing these estimates. I know there were a number of questions put on the floor, and if we're not to receive any further comments from the Provincial Treasurer, I'd just like to have some indication of that one way or the other.

Thank you.

MR. CHAIRMAN: Hon. member, we have 11 days remaining. There's probably more than adequate time. Perhaps the Treasurer could respond to Calgary Mountain View with regard to questions raised in the capital projects division before we proceed with the committee.

MR. JOHNSTON: Mr. Chairman, it is my intention, of course, to provide the fullest possible information to the members. I'm never one to hold back the good news that's available to all Albertans. As a result of a study of the capital projects division of the Heritage Savings Trust Fund, I can assure the member that I will be providing as comprehensive a set of answers as possible. But I think I would prefer to leave it till well on in the debate, so that as we look at the broader questions of policies -- and those policy questions will, I'm sure, emerge as my colleagues speak about the successes they have been able to achieve in the fund -- at some point perhaps, Mr. Chairman, at least I will find an opportunity to come back in.

If you want, perhaps we could go back to the general ques-

tion. I can deal with some of the questions and comments which were left on the opening series of points last Friday morning and last Thursday evening, if my memory is right.

[The Member for Sherwood Park rose]

MR. CHAIRMAN: One moment, hon. minister. Edmonton Kingsway.

MR. McEACHERN: Just briefly to that point then. Perhaps we could think in terms of when the minister comes back with some of the answers to our general questions about the trust fund estimates and perhaps we could at that stage also have a somewhat similar debate as we had the other day to sort of wind up. Having gone through the specific votes, it would be a good way to finish off this particular trust fund hearing.

MR. CHAIRMAN: Hon. member, there will be, in my view, more than adequate time to discuss the Alberta Heritage Savings Trust Fund.

Hon. members, page 2 of the capital projects division. We're dealing with Agriculture votes 1 and 2. We will handle them in accordance with how the minister wishes them handled.

The hon. Minister of Agriculture, the hon. Peter Elzinga.

MR. ELZINGA: Thank you very much, Mr. Chairman. As you indicated, sir, and I thank the House for their concurrence, I'm going to be very brief in my opening remarks as it relates to vote 1. Then we're going to call upon the hon. Member for Cardston, Mr. Jack Ady, who serves on the Alberta Research Council as the Legislature representative, for some comments as it relates to this vote.

As hon. members are aware, it was just a few short months ago that I had the pleasure of announcing a further extension for Farming for the Future for an additional five years with an additional \$5 million per year commitment, totaling some \$25 million. We're very proud -- and we consider it very essential -- of the valuable research work that is done through Farming for the Future, both as it relates to actual research and the on-farm demonstrations. As I indicated, the Agricultural Research Council of Alberta administers this program. Last year they reviewed some 244 applications, and there were 94 approvals and many excellent proposals.

On that note, sir, I would ask your indulgence, and I shall turn it over to the Member of the Legislative Assembly for Cardston, who does represent us on that very worthwhile council. [some applause]

MR. ADY: I think I'll quit while I'm ahead, Mr. Chairman. Thank you, Mr. Minister. It's a privilege to report on an important initiative that this government has taken in the project Farming for the Future, the main thrust of that, of course, being diversification in the agricultural area and also to bring about and improve the efficiency within that industry.

Research projects within Farming for the Future can be in a variety of program areas to provide an expanded level of technology, research information, and professional services for the agricultural industry. The projects are selected in an open competition on the basis of scientific merit and their potential contribution to the development of technology that will improve farm income and the continued viability of agriculture.

Approximately 90 percent of the projects are funded within Alberta. However, projects of special significance to Alberta's

agricultural industry for which expertise or facilities do not exist within the province have been funded in other provinces. The development of a world-class food processing industry and increasing diversification away from glutted commodity markets are vital for the future of this province. We must be able to create new market niches with products that other nations are not able to supply. Research into crop diversification, including special crops, and new and improved processing techniques and new food products will help Alberta to create new sources of income. Research is vital in helping producers to reduce production costs, therefore maximizing potential for profit.

New research also creates exportable technology, products, and services. It is clear that Alberta cannot rely solely on its primary industries. The export of information and technology is one of the few areas that commands good value for investment and is likely to continue to be profitable in the future. For the 1986-87 fiscal year, the Agricultural Research Council reviewed 244 research applications and approved 94 proposals, averaging \$48,500 per application. As a comparison, in 1987-88 the council reviewed 242 applications and recommended 87 proposals for funding.

An exciting part of the Farming for the Future program is the on-farm demonstration projects. These demonstration projects are aimed at accelerating the transfer of new technology and information to Alberta producers. Projects funded to date have covered a wide range of topics from crop variety testing and livestock management techniques to on-farm computer applications and farm equipment designs. Six hundred thousand dollars is budgeted for demonstration projects in 1987-88. Some of the successes we have had that have been developed through this program include the development of six livestock vaccines, the Alberta B safflower and soybean varieties, rapid feed evaluation techniques, a method for potato virus disease control, an improved nitrogen fixation process, an assay for hypersensitivity to bee stings, and an evaluation of pesticide hazards. Alberta needs research with tangible results like these to compete in today's markets and meet the challenges ahead.

For those of you who may not be aware of it, I would strongly suggest that all members of the Assembly avail themselves of an excellent monthly publication called Research Report issued by the Department of Agriculture. It details a variety of research projects of Farming for the Future. It's easy to read and translates the scientific language for the average citizen, and even the members opposite will be able to handle it really well.

In closing, I can't say enough good things about this program and the initiative our government has taken to fund the programs and the projects that Farming for the Future have on hand for this coming year. I look forward to the results that I certainly expect will be forthcoming from the excellent scientists that have applied and been successful in receiving funding to carry out their various projects. I look forward to the input that we might have in the debate on this issue.

Thank you.

MR. ELZINGA: Mr. Chairman, with your consent, I'll briefly say a few words about vote 2 and turn it over to the Member for Chinook and then have a wide-ranging discussion on these two votes as it relates to agriculture.

As you are aware, Mr. Chairman, vote 2 again comes from the Alberta Heritage Savings Trust Fund capital projects division, and I'm deeply thankful to the hon. Member for Chinook. It was last year when I was participating in the same estimates

that he also participated in support of an explanation as it relates to irrigation rehabilitation and expansion.

I just want to leave one comment with the Chamber. There has been a reduction in funding as it relates to the irrigation districts by some \$5 million this year. We've reduced the funding from \$30 million to \$25 million, and it is part of our fiscal restraint program to attempt to counteract our huge budgetary deficit. It's only fair to say that all 13 irrigation districts are going to have their portions prorated evenly. We look forward to continuing with the fine work we are involved with in southern Alberta in helping agriculture further itself in having the much needed water supplies made available to them.

Again, I thank the hon. Member for Chinook for consenting.

MR. KROEGER: Mr. Chairman and members, enjoy it because this is it for 1987.

I want to express my appreciation to the hon. Mr. Elzinga for inviting me to make some comments. Certainly, I feel a little inhibited, Mr. Chairman, by your opening remarks where you said to confine your remarks specifically, et cetera, et cetera, because when I talk at all, it has to do with agriculture and I can get carried away. I don't like to be limited in the scope because the scope is just unending. If you feel any compulsion to put the brakes on, you can wave at me and I'll think about it.

Agriculture, Mr. Chairman, is about as basic as anything that we know about on this planet. While I'm supposed to confine myself -- and will -- essentially to the rehab program the minister commented on, I want to broaden this just a bit from there.

Before you can talk very much about rehabilitation, you have to have a basic to start with. What is the basic? For as far back as history can take you, people will tell you about attempts to stir soil. Do something with it and it produces something. At the risk of perhaps repeating what I may have said last year, the importance of agriculture can be restated many times, and to me it's always new. What we're really talking about is the basics of what happens to us about every five hours every day. We've developed habits so that at about 7 o'clock you have breakfast and by 12 you want to do it over again in some other form. But you want that, and then at 6, away we go. So this is totally necessary.

If you want to talk about other parts of national strength, if you go back in history -- and you can go back to Egyptian times if you like -- the strength of nations wasn't based on how far the Romans could throw a rock with a slingshot or the Normans could shoot an arrow when they invaded Britain. It was always the ability to produce food. That's what the strength of nations was all about, and nothing much has changed.

I'll just throw in something on rehab periodically, Mr. Chairman, to keep you easy. On the rehab side, I was invited to speak to a group of consultants in Calgary last year, and the guest of honour was the envoy from Egypt dealing in agriculture. Of course, the consultants were there with the view of making their mark and looking for work and making sure that those people who were buying would know about them. But I spent a half hour with this Egyptian envoy who was dealing in the ag scene in Egypt. I discovered that Egypt has no agricultural land except what they irrigate. There is no agriculture in Egypt at all except the artificial kind, which is irrigation.

Now, the minister mentioned something about \$25 million for rehab for 1987. In discussing this with the Egyptian envoy, the numbers he used were a little different. He was looking at a program of \$4 billion in irrigation rehabilitation -- not million but \$4 billion of rehabilitation. That's not developing new proc-

esses at all. So it comes through pretty clearly that in other parts of the world, irrigation per se and the rehab of that process is very important.

Our system is only about 80 years old; it's not 4,000 years old as the Egyptian system is. But 80 years ago, more or less, when the CPR developed irrigation in southern Alberta for their own reasons, most of the systems were pretty crude. The strange part of it is that a lot of it is still being used in that crude form 80 years later. The ditches are there, and I've walked them. Water is supposed to flow through them, but they're rough. They tend to cave in and they leak. When they leak, of course, you get deterioration of the soil on both sides of that area, where the soil will turn white with salt, et cetera.

Variations of rehab have been worked at for quite a number of years. One of the systems is concrete liners. Now, concrete liners work pretty well in the southern part of the U.S. because they don't have the winter frosts that we have. But we go with concrete, and that works fine in the spring, summer, and fall, but through the winter, the frost heaves the stuff. Now you've got broken concrete over the top of an irrigation ditch, and you're probably worse off than you were before you tried to line it at all.

In doing a tour of southern Alberta and walking these ditches, one of the engineers in Agriculture showed me what they've experimented with. They've experimented with aluminum, for example. Very expensive, but they have some liners made out of aluminum. I watched a group from West Germany in the Western Irrigation District near Calgary lining with what looked to be large pieces of asphalt shingle, the same properties that the shingles on a roof have. Then I saw some lining being attempted with sheets of fibreglass, roughly in the shape of a four-by-eight sheet of plywood screwed together or glued together.

One of the objects of the rehab program, Mr. Chairman, is not just to keep the water inside the canal, but the flow-through properties of a lined canal will increase that flow by about 30 percent from the unlined. In other words, your canals can be smaller to carry the same amount of water. I'm not discounting the importance of keeping the water in the system, because it's finite. We don't have enough of it, and that's one of the reasons, of course, that the Oldman dam is being built, because we have run out of water and the flow this year is going to be low.

Looking into Saskatchewan at the Gardiner dam at Diefenbaker Lake, they're wondering where their water is because we have to allow 50 percent of what is generated in our area in the mountains to pass into Saskatchewan, and the Diefenbaker Lake thing is low. So there's going to a shortage this year.

I really like to compare a dam to a pail. Really all a dam is is a large pail. You can have all the water you like passing down a river, and you can stand on the bank and watch it and say, "Isn't this beautiful." But it doesn't do much for you, because that all happens in about six weeks in the spring of the year. Then it settles down, and there's very little flow. In management to do what we do with irrigation, you have to have a pail. You've got to have a pail of water. We used to have a cistern under our roof. But really a dam is nothing more than a pail or a cistern, if you like, because then you can stage the use of it over a period of time. It doesn't just relate to land management; it relates to municipal use and recreation and industrial development and all the rest of it. So it becomes a very important element.

When you talk about the importance of doing it at all, as I

may have mentioned last year, I spent about two weeks over in the Soviet Union in 1985 on an ag mission and took a look at what they're doing. They're not fiddling around at all. They're on an expansion, Mr. Chairman, of the irrigation system which will lead into rehabilitation, if you like, some years down the road. They've got a long way to go. In its simplest form, by acres or hectares, whichever you like, the Soviet Union has about the same amount of agricultural land as Canada and the U.S. combined, about the same acreage. The population of the Soviet Union is about the same as Canada and the U.S. combined. But they import thousands of tonnes of wheat, and we export it, we being the U.S. and Canada. And so we must be doing something right.

In the dry area of southern Alberta -- and we have most of the irrigation in Canada right in Alberta -- the ratio of production moves roughly from one to five. In other words, you can produce about five times as much per acre with irrigation as you would without it.

Since I'm confined to the rehab, Mr. Chairman, I won't talk about drainage. The reason I won't talk about it is because you won't allow me to. But drainage in the province is coming at us. We're going to have to look at it. As far as I'm concerned, having grown up and lived in an area that's water short, there's only one thing that's worse than not having enough water and that's having too darned much of it. It's just as destructive as drying out, and it's a lot more uncomfortable. I found that out in touring northern Alberta a number of times. We will have to look, Mr. Chairman and Mr. Minister, at the rehab, if you like, of some of the drainage systems in the north with equal interest as to what we do with the rehab of the irrigation in the south. I had to throw that in because it's a very major and important part of what we as a commission are into.

I don't propose, Mr. Chairman, to artificially keep this thing going. I have never really felt compelled to say something unless I felt there was a need to say it. Mr. Minister, I don't know whether you are going to invite questions and invite me to perhaps respond. If you do, I'll be very happy to do that, and I may take a little more time in going that route than I will in the initial comments that I've made.

I think I have covered the basic points, Mr. Chairman. I'm going to leave it at that for now.

Thank you very much.

MR. CHAIRMAN: Hon. members, comments, questions, amendments, bearing in mind no amendment may increase the size of the appropriation.

Hon. member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. As a point of clarification in dealing with these, are we dealing first with vote 1 under agriculture, questions asked and answered, and then vote 2, or is it. . .

MR. CHAIRMAN: Well, the Chair, hon. member, entertained votes 1 and 2, part of it perhaps with the scheduling of the hon. Member for Chinook. But I'm sure it would be agreeable to the minister if questions came on either vote. Minister? Hon. member.

MR. FOX: Thank you, Mr. Chairman. I'd just like to commend the hon. members for Chinook and Cardston and the hon. minister for presenting the votes 1 and 2 under agriculture funding from the Heritage Savings Trust Fund capital projects division.

As the minister is well aware, members of this side of the House are deeply committed to research in agriculture. We recognize that there has never been a greater need for an increased commitment to agriculture. Farmers are faced with a growing number -- and I don't mean to use that as a pun -- of problems in today's environment, not only problems with producing crops but more and more problems with how to market them. We're finding that the customers we've traditionally had over the years are becoming less and less dependent on us as suppliers. It creates some real dislocation in the agricultural industry in terms of deciding what it is we can produce well, what it is we can produce profitably, and who might want it. So there's clearly never been a more pressing need for an increased public commitment to agricultural research.

In terms of the \$5 million that we're being asked to approve here under vote 1, Farming for the Future, there are a few questions I'd like to ask the minister. Is it the minister's intention that the \$5 million be spent? Do we have any evidence that the whole amount allocated to Farming for the Future in any given year gone past has indeed been spent? Or I wonder if this is just a target figure. I call to mind a program we had a few years ago where we were committing several million dollars to the sugar beet industry. It was an easy commitment to make because nobody grew sugar beets that year, so it was money that was promised and spoken about but not spent.

I'm wondering if the minister might be able to tell us just how much of the moneys allocated in years past has indeed been spent, because I understand from some of the people involved that the process for receiving approval under these projects is somewhat tighter than it used to be, and the amount spent is somewhat less. Perhaps the minister could explain the process a little more in terms of project applications. Who can make applications under Farming for the Future programs? Then the technical review committees -- how do they get involved? Who decides what goes and what doesn't? The Member for Cardston tried to explain some of the criteria and the merits of projects that are taken into consideration, but I'd certainly like to know a little bit more about that.

I'm also wondering, Mr. Chairman, if the minister might explain to us a bit of the relationship between the ARC, the Agricultural Research Council of Alberta, and the Farming for the Future program and also the Agricultural Research Council and its relationship to the Agricultural Research Trust, which, if Bill 7 is proclaimed this session, will be replaced by the agricultural research institute. There are a lot of different bodies here, and I'm just wondering if the minister might explain to us how they all relate to each other and interact in terms of making decisions about which projects go ahead.

I'm also curious to know, Mr. Chairman, recognizing the real value of on-farm type demonstrations and the importance of applied research, research in real-life situations where people can see the benefits and apply the techniques themselves, perhaps the minister could indicate to us what portion of the funding or what percentage of the grants approved in any given year usually go to those on-farm types of programs, the demonstration-type Farming for the Future programs.

In terms of irrigation, the rehabilitation and expansion of the irrigation systems, I'm wondering about a couple of things. I've been to the south there, and I've seen some of the work that's going on in terms of rehabilitating the irrigation systems, trying to make them more efficient, trying to avoid the problems that are caused with seepage, the salinity of the nearby soils, and the loss of water and the sort of inefficient transmission that has

occurred in some of these older ditches. Recognizing that the systems are in place and there are a number of producers that depend on them and a significant portion of our productive capacity in the province is generated down there, I think it's good that we're looking at ways of rehabilitating and making these systems more viable. But I'm wondering how far along we are in this program. What are the total estimated costs of providing a fully rehabilitated irrigation system? And knowing that figure, what percentage are we dealing with here? Or is this \$25 million figure sort of an annual maintenance cost? Would that be the amount it would take in any given year to keep the existing system up to snuff? Or are we gaining ground on this whole project with the \$25 million expenditure?

Something else the minister might want to look at, Mr. Chairman -- and I don't pretend to be an expert on it, but I do get things sent to me in the mail sometimes. There is some controversy about the irrigation projects in the south and some feeling amongst some producers that there's a great deal of money being spent in some areas to the benefit of a very small number of producers. When it's looked at in terms of dollars invested per farmer or dollars invested per increase in yield, it's felt by some that that's not very justifiable, and I'm just wondering if the minister or the Member for Chinook would comment directly to that.

Those are all the questions I have at this time, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you very much, Mr. Chairman. First of all, I'd like to start off, I guess, by congratulating the government for having the concept of Farming for the Future. However, as I did in the Alberta heritage trust fund review, I find the Alberta Research Council, for example, being granted \$5 million, and close to half of that money is being spent in terms of administration. For this year, for example, grants will only come out to actually \$2,868,000, which is a little bit more than half of the \$5 million available for actual research-type projects. I find that kind of ridiculous, that close to half of the money spent is spent on administration for this Farming for the Future. We compare that to the irrigation project, and we have about 95 percent of the money being spent on actual irrigation projects. I'd like to ask the minister: why is the administration costing so much? In terms of the \$5 million here, close to 45 percent is on administration.

MR. CHAIRMAN: Excuse me, hon. member, for just a moment. Hon. members of the committee, perhaps those who wish to talk to each other could sit beside each other, and that way the Chair could hear the comments.

MR. PIQUETTE: Another concern I have is that 94 grants were given out in 1986-87. Reviewing a lot of these projects, reading through the literature which I think was very simple, a lot of these projects, from what I've been able to read, I have to classify as Mickey Mouse research projects because they only last for a year. They average \$94,000 or so each.

I have to be really honest. If we're going to be diversifying the Alberta economy or the agricultural economy through some of these research projects, I don't think they're going to get very far in terms of actually doing that. And if we compare that to what we're doing in terms of irrigation, we've spent \$182,214,000, as compared to \$18,000 in actual research grants in Farming for the Future. You know very well where the

money is really going in terms of diversifying the agricultural industry. It's basically going to diversify the irrigation projects in southern Alberta. I think that doesn't strike too well for many farmers in northern Alberta where we have to fight climate and a lot of other kinds of situations out there. We'd like to have a lot more concentration in terms of research projects which would help them diversify their crops in the northern climate.

Another inconsistency that we see here: we have irrigation being fully funded by the Alberta heritage trust fund, but then we have on the other side grazing leases for farmers in northern Alberta and other parts of the province which are not funded through the Alberta heritage trust fund, which is again a terrible discrimination. Last fall, for example, we saw discrimination happening here because there was no cutback, no freeze, in the Alberta heritage trust fund for irrigation projects but we had 100 percent cutbacks in untendered grazing leases for northern Alberta farmers. That's not a way to create healthy kinds of communication between the northern and southern parts of the province.

So really what my conclusion is is that we have attempted to diversify Alberta agriculture through irrigation projects. Not that I'm against it, but again, if we're really going to be looking at developing farming that is fair for all parts of the province, we should be concentrating on developing a very aggressive marketing type of program, diversifying in terms of the way we package our meats and our various projects, a lot more ongoing research which is more than Mickey Mouse kinds of one-year projects, which is looking at putting money in terms of a long-term research project which will pay off in the long term.

I don't see that a program, for example, to fund on-farm computer use is going to be saving our bacon 10 years down the line. That could have been funded by a private company, for example, who wants to sell computers on farms. They'll do the research for us. We don't have to set up a program to have an on-farm computer program. If we're going to be spending the money in terms of research, let's make sure that money is spent in terms of long-term projects.

If I was a scientist evaluating these 95 grants here -- and we did the same thing when we talked about it relating to medical research in the Alberta heritage trust fund. At least in medical research the grants are given out for at least a five-year term. In terms of Farming for the Future the scientists who are going to be putting together these projects should have a longer term in terms of funding so that they can actually put in place some practical research which is not -- again, I'm calling them Mickey Mouse because there's nobody, there's no scientist or any research group, that can put together a proposal and deliver it within the one-year project.

I can think of some of the school projects that we had to develop a program on based within one year because the funding ended on June 30. I know very well that we spent most of our time writing the project and getting it going and trying to artificially create some kind of conclusion to the project because we knew the funding terminated in a few months from now.

So again, we've got to be much smarter. It's all very nice to say, "Hey, we're spending \$5 million in terms of agricultural research for Farming for the Future." Then we look at the bottom line: \$2,868,000 actual grants given out there; the rest of it is in administration costs. I would like to see why the government doesn't take this money and \$5 million actually goes into research and none for administration. The administration side could be paid out of another portion of your program, out of your regular budget, out of the Department of Agriculture, as

opposed to having it all lumped within Farming for the Future.

Another thing in which I think the minister has to be much more aggressive is that any time we seem to come up with a program of research here in Alberta, the federal government cuts back on their research portion. Again what is the minister doing to make sure we match dollar for dollar the money we spend here in Alberta to do research, that it should be matched by federal grants? Are we doing that? I'd like to see the minister answer this question. Are we getting a 50 percent contribution for Farming for the Future? Are we getting our fair share out of the total federal research grant funding, or is this a kind of kite we're trying to fly on our own here, looking good in terms of rhetoric and public relations? What is it actually doing in terms of our tying in our agricultural policies right across Canada? We can't swim in this big ocean here all by ourselves, try as we might. The future of Alberta's economy in terms of agriculture is tied in with interprovincial co-operation and federal co-operation as well and talking and providing the leadership in all of those questions in terms of marketing and diversification.

So I'd like to conclude by praising the government for the concept of Farming for the Future but attacking the way they administer the program. I have only one conclusion. I think it's Mickey Mouse in the way it's operating.

And for the irrigation projects I would ask a couple of other questions. Are we looking long term in terms of our irrigation projects? Are we perhaps expanding on marginal land that should not be used for intensive farming purposes, perhaps in terms of creating a situation where we're going to be spending a lot of money and all of a sudden find that half of that land is no longer usable because of a buildup of silt and alkali content, et cetera? We have to realize here that we have a dryland problem. We have other parts of the province which are much more suitable for grain production, other areas are more for grazing, and I think what we should develop, along with all of this irrigation, the money we spend on agriculture -- have we set up in this province a total agricultural land use policy? Have we actually analyzed where we're going to be expanding in agriculture and the areas we are not going to be touching and reserving for a green zone or whatever? Are we going to blindly be letting out the grazing leases or because of political expediency, blindly approving irrigation projects? Or are we going to be making sense out of the limited dollars we have in this province to make sure that we get the biggest bang for each dollar we spend?

Thank you very much.

MR. ELZINGA: As you are aware, Mr. Chairman, usually my tradition is that I take all the questions and then respond at the end, but because of the nonsense we just heard from the hon. member, I feel compelled to respond. I can understand now why a number of his constituents liken him to the Athabasca River, because he's just proven tonight that he's a little narrow at the head and wide at the mouth. Because doggone it, I've never heard such a pile of nonsense. I don't mind if an individual wants to participate and have a speech on the record. We're all legislators, and I can understand that, but I wish he would have some of his facts straight.

He indicates that the majority of it goes to administration, and he goes through our budgetary estimates. Well, there are portions of that that go directly to projects. Of that \$5 million, last year we spent some \$387 million for actual projects for Farming for the Future. I'm going to ask the hon. Member for Cardston to outline them.

One obviously knows the benefits of research. We can share

with you some projects where the benefits have been in excess of 400 to 1 in the payback. We've developed a northern Alberta bee strain, barley strains, wheat strains, and there have been a number of excellent, excellent projects.

Mr. Chairman, he indicated too that there were no cutbacks in irrigation. Well, had he been listening, I indicated in my opening remarks that we just cut it back \$5 million, from \$30 million to \$25 million, and it indicates the amount that we're spending right here in the estimates. I can't understand; I'm sure the hon. member can read but, doggone it, the utter nonsense. It's disturbing.

I want to just deal specifically with research. He also raised a concern about federal cutbacks. In the past, yes, the federal government did cut back some of the research spending. At that time the former Minister of Agriculture also withdrew some of our funding. We have the assurance now from the federal government that there will be no cutbacks without proper consultation. And to underscore that commitment, we just recently had a research project signed with them whereby they contributed \$2 for every \$1 that we contributed. We just recently signed that agreement in the federal constituency of Vegreville. It's a five-year agreement whereby we're going to have \$6 million; \$2 million from us and \$4 million from the federal government. The opposition was so interested that the provincial Member for Vegreville didn't even show up. It was well advertised; public advertisements were in the paper inviting the public to attend.

Mr. Speaker, I just thought I should set the record straight on a number of the inaccuracies that have been conveyed, and I'm going to ask the hon. Member for Cardston to outline in point form the \$3.87 million that have been spent for Farming for the Future.

MR. CHAIRMAN: Hon. Member for Cardston.

MR. ADY: Thank you, Mr. Chairman. Let me be really clear now so that the hon. Member for Vegreville will understand. I'm just talking about Farming for the Future. I'm not dealing with irrigation.

ANHON. MEMBER: Athabasca-Lac La Biche

MR. ADY: I'm sorry; Athabasca-Lac La Biche. Thank you. But let me deal first of all with a couple of questions that the hon. Member for Vegreville did mention. He wanted to know if the total \$5 million was going to be spent or if we were just going to play around with the figures and then keep all the money. Let me assure him that we met as an Agricultural Research Council, we evaluated all of the projects that came in, and we allocated the \$5 million. Now, that was allocated into the following areas. The research area and the funding for each one, I'll read them off. This is for 1987-88; these were just recently awarded.

Cereals and Oilseeds	\$507,100
Crop Protection and Entomology	\$298,355
Forages	\$316,000
Irrigation	\$160,645
Land Resources and Engineering	\$589,000
Non Ruminant Livestock	\$233,381
Processing, Transportation, Marketing and Socioeconomics	\$534,500
Ruminants	\$903,000
Special Crops	\$329,222
Total	\$3,871,183

Now, he also asked the question as it pertains to how we decided who would receive the funding. It's an open competition. Anyone who has a project that they think is worthy has the right to submit it to the Agricultural Research Council. Then it is allocated to one of those categories that I just read off and a sub-committee takes all of the facts of the application. There are scientists who sit on that committee; there are lay farm people, agricultural people. And I sit on one of the committees as chairman. We weigh the value of the project to agriculture. We also assess the merit of the scientist who is submitting the application, his background, his competency: all of those things are figured in to see just how valuable each application is to agriculture. Then they're allocated and prioritized, and we pick out those that we feel have the best . . .

MR. PIQUETTE: Are they all [inaudible] projects?

MR. ADY: All of the projects are evaluated, yes.

MR. CHAIRMAN: Order please. Let the hon. Member for Cardston explain.

MR. ADY: Now, when we have prioritized them according to the funding that each one of those categories receives, then we allocate the funding according to the priorities. Of course, we don't have funding for all of the applications, but the best of them receive funding from Farming for the Future. About 20 percent of the money that's spent in the Farming for the Future budget is allocated to the on-farm demonstrations.

The hon. Member for Athabasca-Lac La Biche had a concern relative to the funding only being allocated for one year. All applicants are now asked to submit how many years they expect it would take to bring their application to completion. When they come in, they can ask for funding for one year, but they also indicate at that time that it may take one, two, three, four, or even five years to complete that application. Then when the committee assesses that application, they can make the decision whether they want to commit funding for that many years. If they think it's worth while and worthy, then they'll commit for that first year with an unwritten understanding that if the scientist performs well and is going to contribute something to agriculture, he will receive funding for the successive years as long as he stays on track and is providing something. That leaves the committee the option to stop the funding in the event the scientist isn't performing. I think that's probably the fairest way it can be done, and it appears to be effective.

I don't have notes here on any other questions the hon. member has asked except the ones that the minister answered. Thank you.

MR. CHAIRMAN: Before we proceed to the hon. Member for Calgary Mountain View, the chairman of the water commission, the Member for Chinook, has indicated a desire to respond.

MR. KROEGER: Thank you, Mr. Chairman. Yes, I do want to make some comments now, simply because it's still reasonably fresh in my mind. The Member for Vegreville was talking about the rehab program. His question in part was: is this going to be an ongoing process or is there an end in sight or what percentage may be completed? I think the major rehab program can have an ending -- the major side of it. But an irrigation system is something like your farm truck; if you want to keep it for long enough, you're going to have to rehabilitate it occasionally.

So it will never totally be over. I hope that helps.

The percentage that may have been done is also hard to identify. Let me put it in these terms, for example. I mentioned in my opening remarks that the flow-through capabilities of an irrigation canal are increased by about 30 percent if it's lined as opposed to unlined, depending on what the liner is. I mentioned to the Member for Taber-Warner just now that there's a rehab program going on in his constituency with a machine that was just developed in Seattle to line irrigation canals with fibreglass in a continuous flow. This is being demonstrated today in his constituency, but he hasn't been invited to have a look at it yet. That has some components that might be very useful down the road when we're looking at the long term. How long will it last, whatever we repair? I mentioned that the concrete doesn't last. It freezes, it breaks, and away you go.

By the way, the experiment I made reference to: the equipment was designed in Seattle by a firm that builds everything from fibreglass canoes to minesweepers for the U.S. Navy. So that is going on and was funded in a combination of -- Environment was in it, and economic development was involved in it. So that is presently going on, and because that is as current as today, nobody can tell you exactly how this system is going to work. The Eastern Irrigation District, for example, which is one of the large ones, has 3,100 miles of canals. Well, are you going line 10 percent of it, or are we going to line all of it? Those are questions that nobody can really answer. How long does it last? Well, the stuff that hasn't been rehabilitated at all has lasted 80 years.

The comment on salinization that I heard coming at us I think can be answered in part by what I said earlier. Egypt's system is about 4,000 years old, and they're still irrigating the same land. They've learned to cope with the salinization and how to deal with the dangers of that. So it's up to us as users to keep an eye on that process, but you don't have to destroy land so that it's never usable again.

And on the funding. The Member for Athabasca-Lac La Biche said something about 100 percent funding. That isn't the way it is. This rehab program is 86/14: 86 by the province, 14 by the user. But the farmer himself has to concern himself with what goes on on the farm. And by numbers generated not by the Alberta government or the Department of Agriculture but Canada-wide, the impact and benefit of irrigation is roughly that: 86 percent to the rest of the country, 14 percent benefit to the irrigator himself. That's how that formula was devised. So it isn't totally funded by government.

Finally, on land use. This is one I would like to have had a chance to talk about but won't. Yes, there is a committee of senior people in the province dealing with land use. There are really three studies that go together. One, the land use committee brought in a report; the drainage was brought in in the form of a report; and then the South Saskatchewan study that we as a commission did. Those three go together because they all come together with good land use, identifying soils and where they ought to be developed in the province, where they should not be touched. Because the member was quite right; there is a great difference in soils and how they respond to certain treatments.

So, Mr. Chairman, Mr. Minister, I think I've covered those questions that were involved in this side of the issue.

MR. CHAIRMAN: Hon. Member for Calgary Mountain View, followed by Taber-Warner.

MR. HAWKESWORTH: Thank you, Mr. Chairman and mem-

bers of the committee. Last Tuesday evening when I spoke in general terms about this division, the capital projects division, I said that one of the things I'd like each of the ministers to comment on as we go through the various votes is the relationship between spending that's done through the Heritage Savings Trust Fund capital projects division and ongoing spending that takes place within their department as a whole. My first questions or series of comments to the Minister of Agriculture are to ask him to clarify a bit more how the agricultural research that's done through Farming for the Future relates to the other priorities within his department and other research that's presently taking place in Alberta by the federal government.

I listened carefully to the comments that were made in answer to the questions put forward by the Member for Athabasca-Lac La Biche, and as I understood that member's query, he was concerned that as spending or research moneys are invested in Farming for the Future through this trust fund, that allows the federal government to reduce its contribution to agricultural research in Alberta. So what the concern is that still hasn't been addressed is: how do we insure that the federal contribution to agricultural research in Alberta is not redirected because of all the money that the provincial government on its own, through the heritage trust fund, is committing to agricultural research? So the question is: are Albertans any better off as a result of this? The concern is that if we put money out of the Heritage Savings Trust Fund and the federal government as a result of that absents itself a bit more from this field, Albertans don't benefit as much as it would otherwise appear.

I also want to know, in view of the money that's being committed to this, where it fits in relation to the decision to withdraw from the Prairie Agricultural Machinery Institute. This institute was supported by the three Prairie provincial governments: Alberta, Saskatchewan, and Manitoba. It has a long history of co-operation and research in a practical sense in the field, and this year the provincial government here in Alberta announced that they were withdrawing its contribution to that institute. My question is: why withdraw? If the minister holds up Farming for the Future as the research that's presently going on that duplicates what was going on in the Prairie Agricultural Machinery Institute, I'd like to hear that from him. Because he did make a comment in the House that the work of the Prairie Agricultural Machinery Institute was going to be supplanted or taken over by other research that his department did. I wonder if that's under the Farming for the Future program or some other area of his budget or of his department? I'd like to have that particular item clarified.

But, Mr. Chairman, I guess the thing about these votes tonight I'd like to spend most of my time commenting on has to do with the second vote related to irrigation. I'd just like to say that I appreciate the contribution from the Member for Chinook. I admire his sage advice and his gentle admonitions from time to time and his contribution here this evening. But the number of dollars that this provincial government has committed to irrigation in southern Alberta raises a number of questions in my mind. Now, when the minister appeared before the standing committee last November, he was asked how much had been committed to irrigation under the Heritage Savings Trust Fund for southern Alberta.

I gather from the figures that were given at that time -- and I'd appreciate it if the minister would correct me if any of these figures are wrong -- that for the end of the first phase to approximately March 1986 was \$182 million; that the amount budgeted for phase two of the rehabilitation will go to 1990, and

at this present time, estimates are that \$150 million will be spent in that phase two. Now, I think that was \$30 million each and every year over a five-year period, and with the estimates before us today being reduced by \$5 million, perhaps the total spending for phase two will be accordingly reduced. I'd like some clarification of that. However, phase three, the final third, which will result in the total system being rehabilitated, will be completed in 1995, I understand, and in that phase at present the estimates are that \$230 million will be spent. That, Mr. Chairman, adds up to approximately \$560 million, which is a sizable contribution whether it's from the trust fund or from any other fund.

As well, this is only part of the system. Another part of the rehabilitation and upgrading of the system is found in the Environment department, vote 1, irrigation headworks and main irrigation systems improvement. I take from the division that the major water facilities and new water delivery systems fall under the Environment department, whereas under Agriculture this is generally the portion of the spending that has to do with rehabilitating irrigation systems; that is, further downstream from the spending in the Environment department's estimates.

As I said also on Thursday night last, I appreciated very much that the Minister of the Environment provided to the standing committee his estimates of what will be the cash flow requirements for the irrigation headworks, the main irrigation systems improvement program. According to that documentation provided to the committee, the estimate is that the total program cost to the end of the fiscal year of 1994-95 will be \$555 million. Now, Mr. Chairman, if you add that \$555 million in the Environment department's spending on irrigation to what I understand to be the \$562 million estimate in the Agriculture department estimates for irrigation spending, you have over \$1.1 billion. That, I take it, is also in constant dollars of 1986, so that the actual dollars as the years go by may well be very much higher than that, but at least in constant 1986 dollars we're looking at well over \$1 billion.

Mr. Chairman, this as well does not take into account the spending that's presently being undertaken on the Oldman River dam. This is again coming back to the total irrigation system. It comes out of, as I understand, the regular estimates for the Environment department, and that over several years is a further multi-multimillion dollar commitment that could run as high as \$400 million or \$500 million. But I haven't seen any final estimated-to-completion cost figures on the Oldman River dam.

All I'm saying to you, Mr. Chairman, is that a tremendous amount of money is being committed to irrigation in the southern regions of our province, and because of the magnitude of that contribution, I think there are some important questions raised as to how that money is committed, the contribution that comes from the irrigation farmers in the southern Alberta area, and what the overall benefit to the province is for that kind of investment. Now, as has been pointed out, in the vote we're reviewing tonight, the Agriculture department's vote, 14 percent of the costs is contributed or recovered from the farmers themselves in southern Alberta. The Member for Chinook just a few moments ago referred to some benefit that 14 percent accrues to the irrigation farmers and 86 percent to -- I didn't know whether that was the rest of the community or the rest of the region. I acknowledge that that formula has been arrived at, but it was not clear to me how it had been arrived at.

But it does raise a question: does the 14 percent contribution from the farming community directly represent the true cost of providing that water to the edge of his land at the time he needs

it in order to irrigate his crop? If it doesn't represent the true cost of the irrigation system, it means that it could be that the people making use of the water are perhaps not being as conscious of the conservation necessary as if they were paying more toward the true cost of providing that water to them. Because you have I think, Mr. Chairman, a series of choices you could make in terms of water conservation. One would be to increase the supply, and as the Member for Chinook quite eloquently put it this evening, it's like a bucket. If that water flows downstream, you don't have it; you've lost it. So you try to collect it and keep it for a later time when you want to make use of it. Or you can also line the canals and rehabilitate the system, which in itself will reduce the seepage and thereby allow more water to be delivered to the farmer when it's needed. So you have a series of choices that can be made, and I doubt there would be any choice that would have a higher cost benefit than that of rehabilitation of the canal and irrigation system in terms of the return to water conservation.

But, Mr. Chairman, compared to the cost, the investment made to the amount of water conserved -- I wonder if any study has been done as to the benefit in changing the rates charged to the farmers in order to encourage water conservation or whether particular incentives could be provided to farmers to alter the equipment they use to deliver the water to their field. I'm told, for example, that spray irrigation on a hot, sunny day in the middle of July or August in southern Alberta -- with a low humidity, tremendous amounts of that water simply evaporate. Now, if we're investing over a billion dollars just in the irrigation system, let alone the upstream dams to store that water, and all we're doing with that entire system is allowing it to evaporate very quickly because of the way it's applied to the land, I think it's a very wasteful use of resources to invest in that water irrigation system.

So on top of all the other choices that are being made, I'd like to know -- again, as part of perhaps the Farming for the Future research program -- what is being done, if anything, to look at practices on the field that would allow the farmers to get the same amount of water to the crop but use less water through the system and thereby emphasize water conservation. Now, this is particularly important, I think, in view of the study presently being undertaken for the South Saskatchewan River basin in which one of the debates going on is: how do you allocate water to all the various users in that system, starting with the minimum flows that have to be committed into Saskatchewan at the Alberta/Saskatchewan border? Working back from that, you have to look at all the users of that system and decide how much of it is going to go to irrigation, and I take it there is significant debate and discussion going on as to how to arrive at that final amount. But I think what it underscores to me, Mr. Chairman, regardless of the actual amount finally decided upon as a part of that study: there is the indication that there is a finite amount of water available for irrigation. So with that as a kind of cap or constraint on one end of the system, I think it's important or incumbent upon us to look at ways to encourage conservation, reduce wastes, so that by doing that, we would have a greater land base that could receive water through irrigation, given a finite supply of water.

So if that were the principle on which to pursue irrigation policy in this province, there are many ways one could look at that. One, as I've already mentioned, is to look at the rates charged, so you do it in the pricing of the water delivered to the farmer, so much per acre foot or acre inch or something like that. And above a certain amount, perhaps an accelerated rate

might be implemented. I don't know whether the Water Resources Commission or the Agriculture department or anyone in the provincial government has in fact looked at these options and decided that they were not worth pursuing for various reasons. I don't know whether they've looked at them and rejected them or not, but I would like some indication from either of those two members as to what, if anything, has been determined on that.

Another thing could be to make available a capital contribution to the individual farmer in order to allow him to go from one water delivery system, say spray irrigation, to perhaps a drip irrigation system if that's possible. To make that capital conversion could be very expensive, and there might be some means by which we could provide some assistance to the farmer to make that change. That might in terms of the cost benefit return to the provincial government or to the economy or the province as a whole -- the cost benefit of that might even be much greater than the investment in the rehabilitation of our canal system, the irrigation headworks improvements, and so on. I think there are some other options that could be considered in terms of water conservation and making more water available for more land in southern Alberta to become arable.

The other question that this contribution to irrigation raises in my mind, Mr. Chairman, because of its magnitude -- and when I say looking at well over \$1 billion simply in the irrigation system itself -- is whether this is one of those things that might find its way somewhere onto the negotiating table in a bilateral free-trade agreement with the United States. And again, because I ask the question whether the rates charged to the farmers reflect the true cost of providing the water for the irrigation system, if they do not reflect the true cost of delivering that water, it may well be that those on the other side of the negotiating table on the free-trade negotiations may well say it's an unfair subsidy, along much the same lines as the stumpage fees charged by the provincial government of British Columbia were considered by the Americans to be an unfair subsidy to allow shakes and shingles to be exported into the United States below the cost to the Americans within that market.

The reason I'm concerned, Mr. Chairman, is because of something that I picked up at a conference I attended last week. One of the speakers indicated that as far as a bilateral free-trade agreement with the United States is concerned, everything is on the table in the economic sense of that word. Now, I'm not entirely sure what the speaker meant by "everything is on the table in an economic sense," but it indicated to me or left the impression with me that these kinds of investments by the public sector for the private sector or by the provincial government or federal government toward various industrial sectors of our economy may well be considered unfair subsidies and therefore provide an unfair advantage for Canada in its access to American markets. So as far as sugar, vegetables, grains production, and what that might mean along the production line for livestock, these are questions I can't answer at this point, but I would like to know from the Minister of Agriculture if anything has been said to Mr. Reisman about this matter. Is this an issue that this government is concerned about? Have they taken steps to prevent or ensure that the amount of money the provincial government is contributing to irrigation is not considered to be an unfair subsidy or giving an unfair advantage to Alberta farmers into the American market?

[Mr. Musgrave in the Chair]

The other thing that might be related to all this investment that's going into water supply in Alberta is that it may allow us or help us to ensure fresh water exports to the United States, which might be what Canada has to give up to get the U.S. to sign a bilateral free-trade agreement. But fresh water exports are beyond the scope of these votes, Mr. Chairman, so I won't pursue that question of exports any further.

With those concerns and questions, Mr. Chairman, I look forward to the comments from the Member for Chinook or from the Minister of Agriculture.

Thank you.

MR. KROEGER: Mr. Chairman, that certainly was a wide-ranging list and a lot of useful points. First of all, when we talk about irrigation or rehabilitation of irrigation, we're not talking about running water around in circles because we like to see it swirl. We're really talking about production and economic development. Now, I had the numbers about four years ago. I don't have them today, but our reserve of food worldwide four years ago was 30 days. Thirty days isn't very much. The total worldwide food supply was 30 days. With what's going on with the European Economic Community now, that number is higher. So we're dealing here in the very basics of keeping our planet moving. Irrigation specifically in Alberta, and this isn't a new number -- about 4 percent of our ag land is irrigated, and it produces about 20 percent of our ag production in the province. So that's that ratio of 5 to 1 that I was commenting on earlier.

If you want to look at nonspecific -- no numbers attached, if you like -- sort of evidence, what does irrigation do? Keep in mind that the Lethbridge area with climate and soil is about the same as where I live at Hanna, except they have irrigation and we don't. The city of Lethbridge is at about 60,000 people and we're at 3,000. If you took irrigation out of it, if the CPR hadn't gone in and developed that because they wanted to make this railroad thing work, Lethbridge could very well be at 3,000 people the same as we are in Hanna today. I think that is a non-scientific yardstick but one to think about. What does irrigation do? It causes a great deal of economic development.

When you talk about water pricing, I think that does have to be addressed, Mr. Chairman, but I'm not going into it tonight. Are we doing everything we can do in the way of efficiency that is just specifically saving water? The answer is no, we're not. I can make the comparison quite easily -- and I mentioned this, I think, last time I spoke on it -- and the tangible evidence exists in the country of Israel. I took a look at the drip irrigation the member commented on. They do it, but you can't do it with a planted wheat. They do it with olive trees. They have the drip irrigation where they have a quarter of an inch size plastic line that goes around that olive tree and drips constantly. With that size of plant, you can do it efficiently. Now, on row crops they demonstrated some other efficiencies because they just simply don't have the water. I saw a quarter section of ag land planted under white plastic. The whole dam quarter was covered. Of course that does away with evaporation; I guess that would be about the ultimate. So if the question is are we doing everything we can do, the answer is no. But the kinds of crops we grow don't lend themselves necessarily to the drip irrigation on one side, and of course you couldn't grow cereal crops like wheat and cover them with plastic, so you'd have to go to other kinds of crops.

When we had the hearings on the South Sask and got into the irrigation districts specifically, one of our questions was: what's a specialty crop at Lethbridge or Taber or wherever? And the

farmer in his practical way, and I'm talking about all of them, said, "Whatever we can make money on; that's a specialty crop."

MR. DEPUTY CHAIRMAN: The Member for Taber-Warner.

MR. BOGLE: Thank you, Mr. Chairman. I want to make a few remarks on votes 1 and 2 under the Heritage Savings Trust Fund estimates under Agriculture.

Vote 1, Farming for the Future, has been commented on by a number of members. I don't think we can emphasize enough the importance of this program, and I would like to reiterate what has been said by several other members of the Assembly, and that is to extend my appreciation to our Minister of Agriculture for getting a five-year extension to this program. That five-year, \$25 million commitment is unprecedented at the provincial level. Find another provincial government in Canada that's making that kind of commitment to agriculture research, and we're doing it at a time when we're forced because of our falling oil and gas revenues to seriously reduce other aspects in our expenditures. Our Minister of Agriculture has come forward in a most commendable way with an extremely worthwhile program.

My colleague the hon. Member for Cardston, who sits on the Alberta Research Council of Alberta board and administers the Farming for the Future program, has listened tonight to a number of very worthwhile suggestions. I think the remark made by the Member for Vegreville that the on-farm demonstration projects should be enhanced is certainly a worthwhile recommendation. I know that is the major thrust in the program at the present time, but I do believe an even greater emphasis can be placed in that area because there's no one like the farmer, who's living with the land, who knows the concerns that he has to face on a day-by-day basis. There's no one like that farmer who, through practical research and on-farm demonstration projects, can tackle some of these projects and problems. Certainly there is a role to be played by the researchers, the scientists, the technical expertise that is available. The actual work can and should continue to take place on the farms themselves.

Moving to vote 2, the irrigation rehabilitation and expansion program, I would like to point out to those members who have expressed some concern with this government's commitment to irrigation, primarily the Member for Athabasca-Lac La Biche and the Member for Calgary Mountain View, that it was this government, through our former Premier, in Taber in 1975, that made the first major commitment to the rehabilitation and expansion of irrigation in the province: a \$200 million commitment, an unprecedented commitment in terms of Alberta's history, a commitment that would take our existing system which was falling apart, would rehabilitate it, and would allow for expansion into new areas. When the hon. Member for Athabasca-Lac La Biche expressed concern about moving onto marginal lands, that signaled to me that we have a job to do, and apparently we haven't done it well enough, in terms of educating ourselves and our neighbours about what irrigation is all about. It brought back a story I'd like to relate to the hon. member, as it involves one of his predecessors and a good friend and colleague of ours who is now deceased, Mr. Ron Tesolin, who served as the M L A for Lac La Biche-McMurray between 1975 and 1979.

On one occasion Ron was coming down to speak to a group of constituents of mine in Coaldale. We were flying into the airport at Lethbridge on Time Air, and as we were crossing the

mainline canal -- the plane was fairly low; we were coming into the runway from an easterly direction -- I pointed out to Ron some of the problems we have with seepage, because of course the canals were built on the high level of ground. When the canals were originally built, all of the irrigation was gravity flow, so it just stood to reason that the canals had to be on the high point of land. If there was any seepage coming from the banks of the canal that adversely affected a farmer's field, that would show up in the white saline areas next to the canals themselves. I was pointing out to Ron, through the window of the plane, what to me seemed to be a very normal occurrence and one of the problems we were trying to tackle in our rehabilitation of irrigation. The remark and the response Ron gave to me was: "Oh, I didn't appreciate that the canals were on the high point of ground. I thought they were down in the creek bed." Therefore there was a lack of understanding as to why we were having some of the salinity problems we were.

I've remembered that story because it demonstrates that things we take for granted and assume others will automatically know are often not so. It's incumbent upon us, then, to help others better understand the situation. When the concern was expressed by the Member for Athabasca-Lac La Biche that there may in fact be an expansion of irrigation onto marginal lands, that reminded me of the story, because the facts clearly demonstrate that that's not what's happening today.

If an individual wants to irrigate a quarter section of land, it's not as simple as merely going into an office and indicating that he wants to irrigate that land. There's a lengthy process that has to be followed. That process involves the Department of Agriculture through their irrigation office; it involves the Department of the Environment. It involves testing of the soil to ensure that the soil is actually suitable for irrigation, and we find many scenes, many areas where that is not the case or where a farmer may have a 160-acre parcel of land and 80 or 90 acres is deemed to be suitable for irrigation. The remaining 70 or 80 acres may not be; it's just not suitable. Or you could have a situation where the land is suitable but the drainage problems on the land are so great that it's not economically feasible for the individual farmer. So the amount of land and the type of land that can be irrigated depend greatly on the soil classification, what the officials find, and the economics of the project. It's not merely a case of an individual going out and saying, "I'm going to put a pivot on a quarter section and irrigate that land."

I guess if there was one concern expressed by the Member for Athabasca-Lac La Biche, it would be the comparison of what the government has done in southern Alberta for irrigation with what we've done in northern Alberta. I would like to remind the hon. member that we don't build up one part of the province by tearing down another area. It was this government, through a very courageous step in 1975, when this government didn't have one M L A south of the city of Calgary -- not one sitting member; they were all sitting in the opposition ranks -- and yet a government caucus supported its ministers of Agriculture and Environment and went ahead with a plan that was announced in Taber to rehabilitate irrigation and to allow for the expansion. Now, that to me is forward and foresighted thinking, and any caucus that ever aspires to someday being a government has to learn to discipline itself and has to learn to look ahead, because we have an entire province that we're dealing with, not merely sections or segments. The moment you carve out certain areas and begin to penalize one area in order to reward another area, you're demonstrating your lack of ability and comprehension to in fact be a government.

The hon. Member for Vegreville did make a remark -- and again it fits in the overall area of better educating ourselves so that we understand the situation -- when he made reference to the offer made some two years ago by the Alberta government to support sugar beet farmers. The member said, and I'm paraphrasing, "an easy commitment to make." The hon. member may wish to review *Hansard* of the day. You'll find that wasn't merely a commitment that we made that came very easily.

ANHON. MEMBER: Was the money spent?

MR. BOGLE: If the hon. member would be kind enough to listen, I'll explain it to him.

The government recognized the serious plight the sugar beet farmers faced at that time. It was a problem brought on by the excess supply of sugar in the world, and sugar was being dumped at a fraction of the price of production. Some 83 to 85 percent of all the sugar produced in the world was being sold at a world price, some 23 cents to 24 cents per semi-refined pound of sugar, whereas the oversupply -- the 15 percent-plus -- was being dumped on the market at 2 cents to 3 cents to 4 cents per pound. That's what our beet growers were trying to compete with.

So while giving the federal government time to put in place a national stabilization plan, and to try to keep our industry alive, this government urged both the federal and Manitoba governments as well as the Quebec government -- where there was an industry at that time -- to become involved. After waiting for a number of weeks after we had approved in our own caucus a plan, we felt we could not wait any longer, and Alberta did in fact make an announcement, did indicate and commit to providing the funds. And the funds were built into our budget. That was followed some weeks later by an announcement by Ottawa, and then far behind, kicking and screaming, came the socialist government from Manitoba, just as was the case with the recently negotiated tripartite arrangement on sugar beet stabilization, where Manitoba has finally now come in. They've finally decided to sign the agreement. So it's been signed. The growers get the same agreement in both provinces.

Then, unfortunately, two years ago, after the announcements had been made, the growers in Alberta and the company could not work out an agreement to sign a contract. But it should not in any way be implied in this House that it was an easy commitment for the Alberta government to make, because when it was made, we fully intended and expected the funds would be used as they were committed at that time.

The hon. Member for Chinook has described some of his duties, Mr. Chairman, in his role as chairman of the Water Resources Commission. I believe that we're extremely fortunate in Alberta to have a man of his calibre chairing this important committee. It's a committee that does much more than merely look at irrigation in the south. It's a Water Resources Commission, so it's looking at the needs across the province, looking at some of the gray-wooded soils in the north and the suitability for lands where it's been suggested that those lands be opened for agricultural development. I'd also like to compliment the Member for Cypress-Redcliff, who serves as our caucus chairman on irrigation. He works extremely closely with the various irrigation districts in the province.

The Member for Calgary Mountain View made reference to the 86/14 formula, and again demonstrated the need for better understanding. Therefore, there's a greater responsibility for

those of us on the government side of the House to help those in the NDP caucus better understand the situation.

ANHON. MEMBER: We already understand the situation.

MR. BOGLE: I know you do, and that's why I'm on my feet telling you right now. When the hon. member went on to suggest that the farmer really should be paying more than 14 percent so he better appreciated the water, again the hon. member appeared to fail to recognize ...

ANHON. MEMBER: Check *Hansard*.

MR. BOGLE: Yes, I will check *Hansard*. I hope the hon. member does as well, because he's referring to the capital contribution. It's one thing to buy a car; it's another to operate it, hon. member. All right. So we buy the car on an 86/14 formula. Then the farmer operates the car, and he pays the entire cost. And if we check the water rates in, we'll say, the St. Mary River Irrigation District, which is one of the largest irrigation districts in Alberta, the rates are approximately \$15 per acre. That's what the farmer pays to his district so that the water may be delivered to his farm; that's the operating cost. But it doesn't end there, hon. member. The farmer then must decide how he's going to apply the water, whether it's through a sprinkler system or through a gravity feed or some other mechanism. Of course, all systems have advantages and disadvantages. The more capital-intensive systems have a smaller labour component, and if you want to go the other route, of course you still have to weigh out those decisions. But it's important to recognize, hon. member, that the contribution of the farmer does not stop with a mere 14 percent contribution to the capital cost of the project.

The hon. member concluded by discussing free trade and bringing that into the discussion. I would suggest, through the Chair, that if our farmers are put on a free and equitable basis with other producers in the world, they can compete with anyone. And if there are areas where we can't compete, then maybe we should reconsider our position. Put us on that same basis where you remove the subsidies, where you remove the various programs that are coming in to support the farmers in the European Common Market or now in the United States because of the retaliation to the European Common Market subsidy, and our farmers can compete. Our sugar beet farmers in southern Alberta can compete. They can compete against anything except that dumped sugar that's being sold at a fraction of the cost of production. I suggest that under similar circumstances none of our producers, whether they be in agriculture or in the manufacturing sector, can compete with that kind of unfair competition.

So free trade isn't something that I am going to wince about. I think that it's a golden opportunity for us as a society, and I think that our farmers can compete and compete very fairly in the whole process. But again, as the hon. member shakes his head, he reminds me of his colleague who wants to stay in the closet with the light turned out and in the dark.

I'll conclude my remarks, Mr. Chairman, by complimenting the minister again, and yes, recognizing that our commitment to irrigation is down in terms of overall dollars. I work closely with both the St. Mary River Irrigation District and the Taber Irrigation District, and I conclude by sharing one other bit of statistics, and that is that the irrigated land in Alberta represents approximately 3 percent of the cultivated agricultural land. Off that 3 percent of the land we produce close to 20 percent of our

gross provincial product in agriculture. That shows the commitment. That shows what the farmers can do if given the opportunity, and I'm proud of the role this government has played in giving them that opportunity.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I've got a few questions on numbers and a few specific questions on the two individual votes.

First I wanted to just say to the member that just spoke: we'll remember the lesson about the 24 opposition members that were reduced to four in the 1975 election, and how you got their votes. That was rather interesting. We'll do the same next time in almost all of the province and form the government.

One of my complaints about this particular process is that it's very hard to sort out what dollars belong where and come from where and go to where. Oh, it's okay if you just stick strictly to these two simple votes. But if you look at the agricultural picture in a little broader context, and even look at the heritage trust fund in terms of last year or the year before, what was going on and where the dollars were spent and the fact that the capital expenditures end up costing operating expenses -- and the Member for Taber-Warner that just spoke pointed out that when a farmer puts up his capital share, then he still also has operating expenses. The same is true for this government.

When we put up heritage trust fund money under the capital projects estimates, we then also have to pick up some operating costs in many cases, certainly in the case of the irrigation section. So those heritage trust fund expenditures then end up leading to ordinary budgetary expenditures in terms of operating expenses on the part of the Department of Agriculture. And it's a little hard to know where some of those start and stop in terms of the way the numbers are presented, so I have a few questions in that regard.

I guess the first one is that I sort of wonder where the commitment to agriculture has gone when I look at some of the figures. Under the capital projects division of Agriculture, 1985-86, I found \$43 million in several different projects. The Prince Rupert grain terminal, Farming for the Future, the irrigation rehab projects, and the grazing reserves totaled up to \$43 million. In '86-87 it was cut. The Prince Rupert project was finished, and the grazing reserves didn't get any more money last year either.

I might ask a comment from the minister as to why that's the case. Farming for the Future stayed the same at \$5 million, and the irrigation rehab stayed at \$30 million, but there was a food processing expenditure on research. The Food Processing Development Centre got nearly \$1 million. In fact, in previous years to that it had gotten nearly \$7 million, and that totally disappears from this year's estimates under the heritage trust fund. So I'm wondering if all those initiatives taken through that \$7 million in the Food Processing Development Centre have been discontinued. Where are those projects now, or what stage are they at? Are they all dead, done, finished, or has the government's commitment been cut back that much? Even so, in the last year the commitment was \$36 million under the heritage trust fund capital projects. This year, the '87-88 ones, the \$5 million plus the \$25 million makes only a \$30 million commitment, and so there is a large cut there.

Now, I want to address this very briefly, because we can get into these in much more detail later, but another aspect of the

heritage trust fund commitment to agriculture has been the money that's been put into the Agricultural Development Corporation. I know that's not before the committee at the moment, but just some very quick numbers and a question that perhaps could be answered when we do Motion 13 on the Order Paper.

The heritage trust fund report indicates that in '85-86 there was some \$109 million committed under that section. Last year the estimates to Motion 12 -- it was last year -- committed \$149.5 million in debentures. But what puzzles me is in the budget speech of this year -- and perhaps the minister would like to ask the Treasurer about this, because I don't know how the accounting works out on this -- on page 42 it shows some expenditures and sources of revenue for the Heritage Savings Trust Fund, which is application of funds. This is the Alberta investment division, Agricultural Development Corporation. They indicate that there is no money spent on that one. Yet for Alberta Mortgage and Housing and the Alberta Opportunity Company they've got the \$188 million and the \$33 million which were the other parts of Motion 12. I'm wondering why that money was not spent or if it's just not accounted for in that page. Perhaps you could get the Treasurer to sort that out for us and bring us back some answers on that at a later date when we get the wrap-up on the heritage trust fund capital projects division debate.

Back to the theme about the commitment. I indicated that the numbers have gone down each year, and the commitments in terms of the capital projects division and also the debenture commitment under the Alberta division, which I just mentioned, go down from the \$149.5 million of last year to \$75 million this year. And then you look at the Department of Agriculture estimates and they've gone down 40 percent from last year. Now I know the minister has referred to things like the gas rebates and some of those other things as being under some of the other -- like under Treasury, I think that one is. But even so, there's a lot of money not being spent on agriculture in a lot of areas this year that was spent in previous years, and I guess I would like the minister to comment on that.

[Mr. Gogo in the Chair]

One of the areas that concerns me also in this regard -- and I know it isn't strictly on these two estimates, but it is related to these agricultural expenditures and the heritage trust fund -- the \$2 billion program, these 9 percent loans. The Treasurer at some point indicated that some of the money from the heritage trust fund was going to be used, at least initially, to get that program under way. I guess I'm wondering -- and the relevance to the particular estimates before us is: where is the money for the capital projects going to come from, this \$5 million in vote 1 and the \$25 million in vote 2? And I'll relate it to this dilemma.

You capped the fund; you're not putting any more money in it. You've taken all the interest or revenues gained out of it, so you have no new capita. So you have to reallocate the capital you've got within the fund. Now, if some of that liquid money, some \$2 billion we've heard the Treasurer talk about at other times, is being used to initiate the 9 percent loans to agriculture and the 9 percent loans to small businesses, I'm wondering how much of it is available and how much free capital is there in the fund? Where is it going to come from to fund not only these projects but the other some \$100 million of other votes that we'll be talking about in subsequent days?

I know those are really questions for the Treasurer in a way, but perhaps the minister could ask the Treasurer to read over my

Hansard questions and have some explanations when we get to the wrap-up of this section. I thought if I got them on the books early, he'd be able to sort out and explain those things to us.

Now, I wanted to go a little more specifically to the votes themselves. I'm looking at page 2, the Agriculture vote 1, and I'm reading the objective and the implementation explanation here. I find I don't quite understand what they're saying. The last sentence under the implementation section says:

Approved projects are either funded by a research grant from Agriculture or may be implemented directly by the department.

Now, my understanding was that this money was coming from the heritage trust fund for the Farming for the Future project, and I was just asking you where that is coming from, because of the dilemmas of freeing up capital within the fund because we don't have any new money going into it and we're not keeping any of the revenues in the fund. But why does it say here that the research grant may come from Agriculture? When they use "Agriculture," in that word surely they mean the Department of Agriculture. If not, then what do they mean? I guess my question to the minister in that section is: why is it worded that way? Why don't they say that the money comes from the heritage trust fund? That's what I thought we were talking about here and why we're talking about these estimates.

The Member for Cardston did name a few of the projects that were going on, but I thought in his introduction it would have been nice if he had picked on two or three of the projects and described them in some detail and given us a little more information about what kind of very specific projects are going on there, and how they're benefiting agriculture. I'd like to know some of the projects that have been completed, say, in the last year or so, or that are ongoing, and some of the commitments for 1987-88, so that we kind of know where they're going, what's going to happen with them -- the ones that you've in a sense committed yourselves to over two or three years -- and perhaps some of the new projects that are coming forward, and give us just a little more detail on that. Agriculture is very important, and I think the more the members of this Assembly know about specific projects in there, the more we'll be willing to support what I'm sure are, in many cases, very worthwhile projects.

Something that I wanted to ask about these different research projects: I wonder if any of them are closely related to the problems of fertility of the soil in the long term. I'm thinking of problems of salination after many years of cropping. I'm thinking also of an article I read in the paper just the other day, contradictory to something I heard from a farmer awhile back. I'll give the two views, and perhaps the Member for Cardston could give us some idea of whether or not there is any research in the area.

The constant use of chemical fertilizers -- the article in the paper suggested that that ends up in a way depleting the natural fertility of the soil, so that you become more and more dependent on commercial chemical fertilizers and eventually the soil sort of becomes a holder of the roots of the plant. There are no real nutrients in it in its own right, but you have merely to keep putting nutrients in with more chemical fertilizers. He said he wasn't sure if that process could go on forever and what would be the implications. There was a suggestion, for instance, out of that that the plants that it grows become more susceptible to diseases and less resilient in terms of withstanding adverse weather conditions and so on. Some comment in that area would be welcomed.

The article was in direct contrast to a statement -- I went to the Western Stock Growers' Association supper and had some very interesting conversations with two or three of the members. One of them assured me that the chemical fertilizers are biodegradable, break down in the soils and, in fact, in the long run are really no different than, say, spreading manure on the soil. In which case then, I wondered if this other article isn't offbeat. I guess I would just ask some comment on those two contrasting views about fertilizers.

The irrigation rehabilitation expansion vote raises some questions with me. It's not clear from the implementation section and the objective section as to who might initiate the projects. And I would like to say at the start that I do appreciate the background comments of the Member for Chinook. I found them helpful and a good basis on which to ask some questions. It's not clear, as I said, who initiates many of the expansions and new projects. It is clear that the money, some 86 percent of the projects, goes to the various 13 irrigation districts as projects are approved.

And about the 14 percent -- and we had some comment on that also from the Member for Taber-Warner. If there would be a problem with the 14 percent that the irrigation district has to put forward, it would seem to me that it would be that the irrigation district might well decide that they can afford a fairly extensive project, because they only have to put up such a small percentage of the dollars. It's a bit like the federal government that got tired of paying. At one stage they did a dollar-for-dollar matching on building of new schools, and the provinces were so glad to have that help that they had not had before that they built schools at quite a rapid pace, perhaps bigger and more of them than needed at the time, to grab onto those dollars. The federal government found themselves amazed at how much they were handing out and after a while backed out of the program. If the province is putting up 86 percent, are they being talked into projects that a small group of people will benefit from because it isn't costing them very many dollars?

I know that the Member for Chinook and the Member for Taber-Warner both tried to answer that to some degree and talked a lot about the 5 to 1 ratio of production for irrigation lands over nonirrigated lands. But I guess if you're Israel or Egypt and you've got no other lands, I guess you've got no choice. I would accept that if you're going to be not totally dependent on imports for agriculture, then you're going to have to irrigate, and you can afford very, very expensive irrigation. In fact, it would be foolish not to have some. To try to turn a desert into a productive agricultural region is an amazing undertaking, and you can only admire what the Israelis and the Egyptians have been able to do over the years.

But in Alberta you've got to admit that we've got incredible numbers of acres of land that are very, very fertile and very productive, and with very little extra fertilizer, with very little extra care in terms of how you farm that land, you can increase production at an incredible rate. So to go to some of the poorer lands and irrigate them and turn them into five times the production is maybe worth while to a degree, but I think you have to look at a very careful cost/benefit analysis. And so far, I haven't really seen very much of that.

There was, in fact, an article in the *Journal* not too long ago that really roasted some of the people that have gotten involved in those projects for being greedy and wanting to spend incredible amounts of money. I'm not saying they're right; I'm just saying that, in fact, those doubts are being raised by not only some of us members in the opposition but by people right in the

irrigation regions. I think the government has to come up with some fairly hard numbers and some pretty good reasons why we spend a fair amount of the Agriculture budget -- and the Department of the Environment budget, I might add, as well -- in those regions for irrigation.

I'm not saying that it shouldn't be done, and I'm open to looking at it more closely. I would like to go down and see just what's happening, how and why it's happening, and talk to the people involved. I'm not really passing judgment on it; I'm merely raising some questions about it, and I don't think that we've really had quite adequate answers. We've had some defence of it, but not really adequate answers from any of the members opposite yet.

Another question I wanted to ask the minister was why the grazing reserve program has been discontinued. That was something that some money was spent on last year and not this year. With that, Mr. Chairman, I will conclude my remarks for the moment.

MR. CHAIRMAN: Edmonton Glengarry.

MR. YOUNIE: Thank you, Mr. Chairman. I take some enjoyment out of addressing the estimates of the Minister of Agriculture tonight, it being almost a year to the day that I left my teaching job, which included teaching English to his son. I would say the minister would have to consult with his son to decide whether or not I'm making progress in life with that move. Nonetheless, I find it interesting now to be lecturing the father. I would not want to take the chance of hurting either of them by making any comparisons on their ability to listen and pay attention to sound advice. [interjections] The quiz will come later, Mr. Minister.

In terms of research under vote 1, I have always been a proponent of research. I think that only the most outlandish of research would not bring us some benefit in the long run, and I think almost any research in agriculture is going to improve the field of agriculture in the province and help us. There are a number of areas where other departments have cut research that I would like to address tonight, and I'll look forward to the minister's comments on it later.

One is in the matter of hail suppression and weather modification, which is no longer being looked at through the Research Council, and I would wonder, considering its agricultural implications, if it wouldn't be something to be added to this particular area. For instance, in terms of hail suppression as a cost-saving measure to the government, I'm wondering, with the amount of success that had been garnered through the research done in the past, what amount of money was being saved to the province through the hail and crop insurance program due to hail damage or due to reductions in hail damage, and if it wouldn't be fruitful to continue that research and continue increasing those savings? I think that if there was documentation, as I've had argued by people involved in the research, that money was being saved by the province in terms of reducing hail damage and payouts under crop insurance, then it would be a good area of research.

The other area of weather modification was increase in rainfall and snowfall in southern Alberta. There's been much talk about irrigation in the south. I would not suggest that weather modification to increase rain and snowfall could replace irrigation. I think that in southern Alberta to hope for that much increase in rain and snowfall to completely replace irrigation would be an outlandish claim. Again, I'm wondering, when you

look at the cost of projects like the Oldman dam, how much you would have to increase rainfall in the summer and snowfall in the foothills in the winter to reduce the need for that kind of expensive project.

Another area of research that I would like to see the minister comment on -- we've had some discussion of it through question period -- is the whole area of use of pesticides in farming and related areas. I'm wondering if his department through this area would be considering research into pesticides, research that should be but perhaps isn't being done at the federal level, to ensure that pesticides are safe, to look at the long-term effects of inert substances that are in those pesticides, to look at the potential health effects on farmers, potential effect on the land of many of these products, which was alluded to by the Member for Edmonton Kingsway. I think this is an area of research that should not be ignored. The minister in fact asked for suggestions from all hon. members recently. I can let him know that I'm working on it, and he will have something in the near future on that.

Other than those that I see as shortcomings in research that's not being done, I would certainly encourage the minister to continue research. I would perhaps be somewhat disappointed that \$5 million is the maximum amount we can afford in this area for agricultural research, and I'm sure there are other areas of his budget where agricultural research goes on. I would also question in terms of this research -- we have a listing of poultry, sheep and swine, and special crops. I'm wondering if that area or any other area refers to research being done into game ranching and the potential of game ranching, the potential side effects on other departments and other areas of life in Alberta if game ranching does go ahead under his department and whether or not this particular area of the budget is being used as research for that.

Under irrigation, I've heard a lot of general comments about cost of irrigation. Obviously, I support irrigation where it's cost-effective. I think that farmers in the south of the province would have a lot of difficulty without irrigation, but I am wondering what the minister considers the maximum cost he could accept before he says no to irrigation, before he recommends no to the Minister of the Environment to an irrigation project.

Somebody mentioned \$15 per acre as a cost of water. I'm wondering what is an acceptable cost to the taxpayers of the capital installation of an irrigation project. Now, depending on whose figures you believe -- for instance, for the Oldman dam, we're looking at somewhere between \$1,700 and \$6,000 an acre as the capital cost outlay for installation. What is the cost per acre the taxpayers can accept before we say, "Well, this is not cost-effective"? Again, what about the crops being grown on irrigated land? What's acceptable if you're going to be irrigating hay land, barley, wheat, specialty crops, those kinds of things? I think we have to look very carefully at the cost of installation: the cost to the taxpayers, the cost to the farmers. What would happen if they were expected to bear the full cost of that irrigation as part of their farming operation? I think you can see that with much irrigation the farm would become nonviable if in fact the entire cost of that irrigation that is borne by the taxpayers had to be borne by the farmer. So I think we have to be looking very carefully at those kinds of concepts.

Another area of agriculture that has been mentioned this session -- and I'm wondering if the Agriculture department had in any way any research into it -- was the Sprung Enviroponics development in Calgary. I'm concerned about that partly because of the environmental question that comes into the demise

of all of the plants and, therefore, for Alberta's purposes the demise of the industry, which has now moved out of province, although we're assured they're going to at least keep a head office here of some description. I'm wondering what research funded by the Agriculture department went into that, what some of the possibilities were for the province. If we're looking into what we may now be losing, what was the potential for future economic growth and so on?

With that, I would prove to at least one member here that I can address the place for under five minutes, and look forward to hearing the minister's and other members' comments on those.

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

[Motion carried]

[Mr. Deputy Speaker in the Chair] [some applause]

MR. MUSGREAVE: Mr. Speaker, I'm glad the applause was short.

The Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Aye.

[At 10:11 p.m. the House adjourned to Wednesday at 2:30 p.m.]

