

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, March 29, 1988 8:00 p.m.**

Date: 88/03/29

[The House resumed at 8 p. m.]

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

head: **GOVERNMENT BILLS AND ORDERS**  
(Third Reading)

**Bill 8**

**Natural Gas Rebates Amendment Act, 1988**

MR. ADAIR: Mr. Speaker, I move third reading of Bill 8 - I just don't have it at my fingertips -- the Natural Gas Rebates Amendment Act, 1988.

MR. PASHAK: Mr. Speaker, I rise to support this Bill, but my support is qualified. We in this party welcome the assured protection this Act will provide for a number of Alberta's primary agricultural producers, but we do have a concern that this price protection should be carried forward to all Alberta consumers. I wasn't particularly satisfied with the answers we were given on this question during committee stage of the Bill.

However, Mr. Speaker, my greatest concern has to do with the consequences of the Mulroney trade agreement for measures such as this. I'd just like to refer to a couple of sections in the proposed trade agreement, particularly article 904, which has to do with Other Export Measures. I'll just quote very briefly from that section. It says:

Either Party may maintain or introduce a restriction. . . only if . . .

- b) the Party does not impose a higher price for exports of an energy good to the other Party than the price charged for such energy good when consumed domestically, by means of any measure,

and then it goes on to spell out some of the measures. I'm not a lawyer, and I'm quite sure that the government has probably taken this Act to their lawyers, but my concern is that it could be interpreted to rule out any possible kind of two-price system, particularly a system that might be triggered by a rebate plan of any kind.

My second concern, Mr. Speaker, is with article 905, under Regulatory and Other Measures, where the proposed trade agreement says:

If either Party considers that energy regulatory actions by the other Party would directly result in discrimination against . . . its persons inconsistent with the principles of this Agreement, that Party may initiate direct consultations with the other Party.

Then it goes on to show how the federal government can get involved if they feel that the provinces are acting incorrectly, because it says:

With respect to a regulatory action of another agency, at any level of government, the Parties shall determine which agencies shall participate in the consultations.

So I think that under that provision the power for regulating such agreements has clearly been thrown over to the federal government. Under that agreement the province has probably lost control, certainly over the pricing for its natural resources.

With those concerns, Mr. Speaker, I would support this

measure.

MR. SPEAKER: Call for the question?

Member for Westlock-Sturgeon, followed by Athabasca-Lac La Biche.

MR. TAYLOR: Mr. Speaker, my feelings are very similar to the one announced by the Member for Calgary-Forest Lawn. I'm just afraid that the Premier and his front bench may not have checked out closely enough whether or not agricultural products in the future could be countervailed in the U.S. on the grounds that this form of natural gas rebate was a subsidy that in effect allowed the Canadian farmer, or the Alberta farmer in particular, to buy natural gas cheaper than what the American farmer could do.

Now, it's all right to wave your hands and say that you've been assured by the Prime Minister. Certainly the way to trouble in this country is often for a provincial politician to rely too much on what the Prime Minister of the day says it will be. The Americans themselves are the ones who will decide whether to countervail, and since countervails are acceptable under the free trade Act, I'd be very interested if the Premier would say just a bit more as to where he has cleared or who he has talked to on the question of natural gas rebates not going to be used against us.

I would like to see the front bench spend some time thinking of another system for aiding a farmer that would get around the concept that we were selling a product in Canada at a cheaper rate than what we sell it across the border. Certainly my understanding, in not only reading the free trade Act but talking to some people in Washington, is that this is a card they're keeping in their back pocket, that indeed if the Natural Gas Rebates Amendment Act were to go through, if they experienced trouble down the road with the pork investment or some other types of imports coming into the U.S., they could countervail it, using this as a reason. So it would certainly be a terrible thing, Mr. Speaker, to find out a couple years or a year from now, if the free trade pact goes through, that this Natural Gas Rebates Amendment Act, which was done with all the best intentions of everybody in the House, turns out to be a club to be used against our farmers.

I'm very concerned that the Premier has not given us good enough assurances that this form of rebate amendment Act, which work fine, will indeed be permissible, or if not permissible, will not indeed cause the farmers of Alberta a great deal of problems trying to invade the American market, if we leave it as it is. I would respectfully submit, Mr. Speaker, that it should be withdrawn and looked at, put together and recrafted and redrafted in a way that would not in any way, shape, or form be construed as going against a possible Mulroney agreement when it goes through.

MR. SPEAKER: Athabasca-Lac La Biche.

MR. PIQUETTE: Yes, Mr. Speaker. I also rise tonight to basically support the intent of Bill 8, which is a rebate for agricultural producers involved in the production of primary agricultural products such as greenhouses, peat moss, food processing, alfalfa pellets, et cetera.

However, I was in contact here in the last few days with a very prominent corporate lawyer who was in Washington approximately a month and a half ago relating to the free trade deal. I passed this proposed gas rebate, Bill 8, and he basically

indicated his opinion that since this Bill 8 appears to be a subsidy to agricultural producers and is not targeted to all groups or the whole province in terms of consumers but is targeted basically to a selected group, it would be in his opinion a contravention of the free trade agreement and it could be used by the Americans in terms under the free trade agreement of accusing Canada or Alberta of unfair trading practices and be part of a countervailing duty on agricultural products.

One of the questions he also raised was the fact that from his discussions with corporate lawyers about free trade in the United States, where he talked to both the Canadian and the American negotiators on free trade -- he also raised the whole question of whether the Alberta government or the Official Opposition had really looked about the implications of free trade in relation to the effect it has on the province of Alberta, or provinces, in terms of determining their own prices of their own natural energy. By the way, this prominent lawyer is very well known among the government members, and I can give his name if you want to double-check on his credentials. He has, I know, probably communicated to the government already; I'm not sure if he has. But there are a lot of concerns relating to this, that it might be contravening already the free trade agreement, which I think our party has been opposing based on the fact that these might be some of the problems we're going to be encountering in the future, that we will lose the control of our province being able to target particular industries for lower energy costs so that we can kick off diversification. We might be losing that advantage in terms of our agricultural industry.

What I would recommend the government do, however, as recommended by the lawyer that I've talked to, would be to make sure that the Natural Gas Rebates Amendment Act, 1988, also extends to consumers as well as agricultural producers so that there'd be no accusation that only a selected group is being targeted here by this gas rebate Act. So I would call on the Premier and the Minister of Transportation and Utilities to seriously look at the comments we're making on this side of the House, because they are not simply pie-in-the-sky here types of statements. They are, in fact, really grave concerns expressed by people who are much more knowledgeable than I think the government is and do know about the free trade agreement.

MR. SPEAKER: May the minister sum up? Minister of Transportation and Utilities, third reading.

MR. ADAIR: Mr. Speaker, basically the answers that I gave in committee stage of the Bill are the stand of the government of Alberta. Certainly from the standpoint of any of the other ones, as I mentioned in response to the one question that was asked, whether we had any major concerns relative to free trade, I said that the best information I had was that we were not aware of any major concerns and that we would keep our eye on that particular one. Thus, I ask the question.

[Motion carried; Bill 8 read a third time]

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
14	Appropriation (Interim Supply) Act, 1988	Young (for Johnston)
15	Appropriation (Alberta Heritage Savings Trust Fund, Capital	Young (for Johnston)

Projects Division) Interim Supply Act, 1988-89

16 Appropriation (Alberta Capital Fund) Interim Supply Act, 1988 Young  
(for Johnston)

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

#### head: INTRODUCTION OF SPECIAL GUESTS

MR. SPEAKER: Member for Taber-Warner.

MR. BOGLE: Thank you, Mr. Speaker. It's a privilege to introduce three hard-working Albertans from Rehoboth, a Christian association for the mentally handicapped of Alberta. These three gentlemen are located in the members' gallery, and I would ask them to stand as I introduce each one. First, Mr. John Beckering from Coaldale: John is a board member of Rehoboth, and he and his good wife have devoted many, many hours of volunteer help in addition to their financial support for those less fortunate in Alberta. Next, Mr. Wally Mulder: Wally is the executive director from Rehoboth. He operates out of the Stony Plain operation, has done so for many years, and I know my colleague the M.L.A. for Stony Plain joins me in welcoming him to our Assembly. Third is my long-time good friend Mr. Alex Hann. Alex is a town councillor in Coaldale. In addition, he's the director of the Coaldale facility operated by Rehoboth. A special welcome to all of our friends, who are here to meet with the Minister of Social Services tomorrow morning at 7:30.

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

#### head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order, please, to consider certain estimates. Would members wishing to speak indicate by raising their arms to the Chair. Vegreville, Stony Plain, Westlock-Sturgeon, Wainwright, Athabasca-Lac La Biche, Cypress-Redcliff, Little Bow, Vermilion-Viking, Calgary-Glenmore.

#### Department of Agriculture

MR. CHAIRMAN: Hon. members, will the committee come to order. We'll use the same process as we did in previous years. The votes begin on page 29 of the department as well as the elements book, page 5. Authority for the programs is on page 32 of the estimates book. We have before us the hon. Minister of Agriculture, the Hon. Peter Elzinga, as well as the Associate Minister of Agriculture, the Hon. Shirley Cripps.

Hon. ministers, would you care to make some opening comments? Hon. Minister of Agriculture.

MR. ELZINGA: Thank you very much, Mr. Chairman and my colleagues. I'm going to be very brief in my introductory remarks because I know there are many members who wish to

participate, and I hope they participate in a very meaningful way. If I could, I'd like to underscore what the hon. Member for Taber-Warner did and indicate a very warm welcome to our three guests. I see that Mr. Beckering has left, but it's a delight to see them in the gallery. On a personal note, we have had associations, as has the hon. member. My son happens to work for Mr. Beckering, so we have developed a very close relationship. It increases my ties with those good people from southern Alberta.

I do wish to just briefly highlight some of the major initiatives in our budget and briefly touch on a couple of items that appeared in the Speech from the Throne, Mr. Chairman. As the hon. members are aware, we have continued with our strong support for the agricultural community to the extent that in excess of \$500 million, or in excess of one-half a billion dollars, is committed towards the agricultural community in the province of Alberta.

Just to highlight some of the figures that are in that \$500 million-plus, we have \$133 million going to the reduction of farm input costs, which include the fertilizer costs, our natural gas, and our farm fuel. From the farm credit stability program, that \$2 billion program we implemented in which to date, Mr. Chairman, we have in excess of 15,000 participants throughout the province of Alberta, the average loan has been in the vicinity of \$100,000. This program alone offers a saving of some \$40 million to the agricultural community. Within the budget we have some \$19 million for stabilization programs, our tripartite red meat stabilization programs.

In addition, we just a short while ago, in conjunction with our colleagues from southern Alberta, implemented the sugar beet tripartite program and the dry edible bean program. Included in this also is some \$50 million for our Crow benefit offset.

It was interesting. Yesterday in Ottawa we had an opportunity to meet with the provincial ministers from across Canada and our federal counterpart, whereby those provinces which presently are not participating in the red meat stabilization programs are hoping to do so. We're trying to examine avenues whereby they will do so, and we all agree with the basic principle that those provinces that are going to participate in a national program have to withdraw from their own provincial stabilization programs. It's the policy we endorsed when we participated in the tripartite programs in the initial period when they did come about.

It was also interesting, Mr. Chairman, whereby there was a consensus that when we do examine the various programs that do affect our agricultural sector in the provinces, we will examine the Crow offset program. But we did receive concurrence from the federal minister, his willingness to throw the Western Grain Transportation Act on the table also, whereby we would have a meaningful discussion as it relates to the method of payment of this benefit, acknowledging what an important thing it is to our province.

Again, the budget highlights and underscores our strong commitment to the irrigation sector of the province of Alberta. Research, one of our threefold thrusts as it relates to the agricultural community, has received a continuance of its \$5 million funding for Farming for the Future. In addition to that, we've got the announcement of \$1 million for the joint federal/provincial soil research programs, some \$2.3 million for a project for the field crop research centre in Lacombe. In addition to that, Mr. Chairman, \$3.1 million for the Alberta Agricultural Research Institute, of which my colleague is the chairman.

If you look at our budget, Mr. Chairman, we do have a modest increase in this budget with the estimates, as compared to last year's estimates, of some 7 percent. That again underscores our strong commitment to the agricultural community. As we look at the marketing sector, our funding toward that has tripled. We've established an enhanced program with the Alberta Food Processors to the tune of some \$1 million per year for a three-year period, whereby we can create a greater awareness of the products that we do produce in Alberta.

Mr. Chairman, the budget underscores, as our Premier has said so often, our threefold commitment of reducing input costs for our farming population, whereby we're going to establish, in those areas where we have not already established, a safety net for agricultural producers through insurance and stabilization programs and an increased emphasis on market and research development. This budget underscores that increased emphasis.

I was encouraged, as I'm sure all members were, to see the endorsement by Unifarm, the major farm organization in the province of Alberta, of our approach, recognizing the hard work that all members have involved themselves in in making sure that our strong support for the agricultural community does continue.

Mr. Chairman, just before sitting down, I want to leave the Chamber with the commitment also that we're going to continue to examine ways whereby we can offer additional support to our agricultural community, because we know the manifold benefit that is derived by agricultural production in this province. The Speech from the Throne highlighted a number of areas that I'm sure my hon. associate minister is going to deal with as it relates to a revitalized ADC, the extension of some of our insurance programs. But I'm delighted, too, that the newest Member of this Legislative Assembly, the hon. Member for Chinook, is in a short while going to introduce legislation as it relates to amendments to the Soil Conservation Act. When I spoke to the MDs and counties today, they were very enthused about the entry of that legislation into the House.

Mr. Chairman, our support is unmatched by any other province. And I don't say that, even though the New Democratic Party might accuse us of it at times, to pat ourselves on the back. But I say it on the basis that the agricultural community recognizes. . . [interjections] I know the hon. members like patting themselves on the back, but we don't. We in a modest way want to do what we can to help the agricultural community.

I say that to acknowledge and underscore the high priority that this government places on dealing with the problems that our farmers are facing. That is why, again, the agreement that has been initialed between the United States and our country, Canada, is so, so important, because if we just examine what we do produce as compared to what we consume in this province, we recognize that we have to have markets other than our own for the export of our agricultural products. Just a few examples: when we look at our beef production, we only consume 23 percent of the beef that we produce within this province. So in other words, we have to have a home for that other 77 percent of that beef production. With pork we only consume 40 percent. I just throw those two examples out to underscore the importance of us having a trade agreement with the U.S. to have that assured access so that our farmers can prosper with proper support. We're going to continue to work very hard in conjunction with our farming population to make sure that that support and that livelihood are maintained.

MR. CHAIRMAN: Associate Minister of Agriculture.

MRS. CRIPPS: Thank you, Mr. Chairman. It's my pleasure to participate in these . . . [some applause] Thank you. I'm glad somebody is glad.

Mr. Chairman, it's my pleasure to participate in the budget debate on the Department of Agriculture estimates. It's also been my pleasure to work with my partner Peter Elzinga in the past year. I would like to say to the members of caucus and to Albertans that I think it's a great partnership, Peter, and I particularly appreciate your assistance and help and dedication to Alberta Agriculture.

In looking at the budget, I think there are seven points that the budget emphasized in terms of Alberta Agriculture. First, the budget maximized our natural advantages. One of the things we want to do in this province is maximize the natural advantages we have of soil, weather diversity. Secondly, we want to minimize the disadvantages we have -- being inland and landlocked -- and remove the trade inhibitors that the hon. Member for Sherwood Park talked about a few minutes ago. We want to move those restraints that are there that minimize our opportunities. We want to provide, thirdly, a safety net -- the farm credit stability program, crop insurance, the tripartite red meat stabilization -- and improve stability under the grain industry.

Fourthly, we want to encourage value-added processing. That's important, and the minister has mentioned the co-operative efforts we're making with the industry to do that. Fifthly, to reduce input costs: we have a number of programs to reduce input costs. Sixth, we want to expand our export opportunities internationally, so we're working with industry in order to do that. Seventh, we want to ensure that research in Alberta in the area of agriculture is second to none. We've got a commitment to do that.

Before I talk about ADC and hail and crop insurance, I want to mention one program and the spin-off benefits from that one program. That's the Crow offset program, which is so vital to our agricultural sector in this province. Over the last three years, since it was introduced in 1985, we've paid out \$172 million in the Crow offset program. Over and above the \$172 million, that has added \$490 million to the cattlemen, to the feeders, and to the grain producers of this province. In addition to that, it also has a two and a half times multiple effect, which adds another \$1.2 billion to the packing industry, to the value-added wages, and the entire economic community in Alberta.

Last year we fed about 40,000 more feeders in Alberta than we fed in 1985. In 1986 we shipped 100,000 head to Ontario. In 1987 we only shipped 66,000. And the cattle numbers were up. Those extra cattle were fed here in Alberta. What did it mean to the farmer in my constituency and your constituency? It meant five to eight cents a pound on calves. That's about 40 bucks on a 500-pound calf, \$25 to \$40. So there's a substantial benefit in value-added benefits to the agricultural sector.

I just want to talk briefly about ADC and the options and opportunities review. Before I mention specifics, I do want to thank the committee that did the review for a job well done. I want to thank ADC for its co-operation, the Department of Agriculture for the statistical information that they helped provide, and Agri-trends for the compiling of that information. I also want to especially thank the farmers who took the time and effort to attend the hearings and make that representation.

In terms of decisions on that report, we've made a number of policy decisions, and I listed them last week in question period.

We've made a policy decision to continue the beginning farmer program. We've also made a decision to allow borrowers to have the option of accessing the program through ADC or co-operating lending facilities. We will encourage ADC to provide direct-lending service to farmers, and we want to encourage a strong agrifood industry in this province.

We also want to look -- and I've given a commitment to the Member for Little Bow that we will be looking at the other options and opportunities for financing, and there's a ministerial committee looking at that and coming forth with recommendations. At the same time, they're looking at the beginning farmer program to see if there are ways and means that we can improve that program.

ADC has total loans to the beginning farmers of this province of 6,876 and another 2,842 direct loans that are not beginning farmers', for a total of 9,764 loans. In all, between the direct loans and the guaranteed loans, 24,352 farms have benefited from the ADC program, for a total of \$1,000,101,000.

The earlier loans that were made by ADC were in the neighbourhood of \$113,000 average. Today's loans that are being made in the past year . . . Get rid of that gum. It looks terrible.

The loans that were made this last year are in the neighbourhood of \$93,000 average, which shows that farmers and borrowers in this province have taken a look at the realistic loans repayment ability and the amount of the loans they can afford to have.

We've introduced some new initiatives: the proportional quitclaims, assumption policies, enhanced land leasing policy, and are looking at other options for the borrowers in this province. We will continue to look at ways in which we can be responsive to the needs of the borrowers in this province and responsible to the taxpayer. It's a delicate balance, and we certainly recognize the financial and debt problems that we have in agriculture today and are working to help in a responsive way, any way we can, recognizing that the real answer to the financial situation in agriculture is a decent market and a decent price for the products that are produced.

In terms of the crop insurance corporation, we've implemented a number of the decisions and recommendations of the crop insurance corporation in the 1988 budget. In specifics, we've extended the individual coverage in crop insurance and are encouraging people to take individual coverage. In fact, in 1988 I believe there are over 5,000 farmers adopting the individual coverage option. The corporation is working with Ottawa to review the risk area boundaries and the soil classification, and I believe that is almost done. In terms of minimizing serious disasters and minimizing the hail risk on individual coverage, the crop insurance corporation is looking at longer term averages and actuarial reports in order to make that less disastrous on a one-time basis for farmers. Peter, if you're speaking, I do hope you would expand on that.

One of the discussions I had with a farmer this afternoon was in terms of individual coverage. He had been given the impression that because of the disastrous hail loss in terms of a hailstorm he could not take individual coverage in 1988 without risking substantial loss in the case of a hailstorm. The fact of the matter is that the corporation I believe has an agreement with Ottawa, and because next year's ratings would be based on this new table over a longer period of time -- 25 years instead of 10 years -- he would not, in fact, be disadvantaged if he had a storm in 1988, where he would have been seriously disadvantaged in 1987. So I guess farmers would have to take our word for it that we're working on that and hope to be able to

have that coverage in place.

I was asked in question period if the reduction in the crop insurance budget would increase the premiums. It won't. The reduction in budget is due to the crop restoration program elimination. The majority of farmers in this province have increased their coverage to basic; there are very few of them in fact that are below basic, so that program is now unnecessary. The high-risk subsidy, which would lower the premiums on 60 percent coverage to 6 percent and on 70 percent coverage down to 8 percent if there were additional costs, is still in place. So the premium level would be basically the same with the exception of the drought program, which we're still working through in terms of developing an overall program that is basically sound and meets the needs of farmers all over Alberta. That program, as most members will know, has just recently expanded to include the northern part of the province. I had a lot of representation from MLAs in northern Alberta saying that their farmers needed to be able to protect themselves from drought as well as the rest of the province, and that has been done.

Mr. Chairman, I look forward to the budget debate, and I look forward to getting our estimates through this evening. Thank you.

MR. CHAIRMAN: Thank you, hon. minister. Before we proceed, would members who are going to use acronyms take the time to spell out what the acronym means for the benefit of *Hansard*, and when addressing hon. members please use their constituency title or the hon. member's title.

The chairman of the Hail and Crop Insurance, hon. Member for Whitecourt.

MR. TRYNCHY: Thank you, Mr. Chairman. First of all, I'd like to...

MR. TAYLOR: Sit down while you're ahead, Trynchy.

MR. TRYNCHY: You're still honking aren't you?

Mr. Chairman, first of all I'd like to express my appreciation to the two ministers, having worked with both of them over the course of the year and a half that I've been chairman of the Hail and Crop Insurance board. I'll tell you it's just super to have people such as the Hon. Peter Elzinga and the Hon. Shirley Cripps, so knowledgeable in agriculture and willing to assist.

While I'm doing that, Mr. Chairman, I'd like to pay tribute to three gentlemen who have just left the Hail and Crop Insurance board who have served for a number of years and have been tremendous members: the first one is John Langelier from the Peace River region, Robin Wallace from the northwest region, and Jim Christie from the south central region. These gentlemen have contributed some 16 years or better apiece to a good cause and have worked tremendously with past chairmen, and I have enjoyed their co-operation and their assistance.

Mr. Chairman, when the hon. Dallas Schmidt, our colleague, toured the province and looked for reports from farmers on how to improve crop insurance, he came back with a number of objections by farmers that suggested there was a lot of abuse in the system, that the coverage was too low under area coverage yields, and the hail loss that the hon. minister just talked about under individual coverage was unfair. Also, they talked about increasing the drought insurance program throughout the province. Let me touch on those subjects just briefly.

The abuse in the system seemed to come from overinsurance,

in some cases poor farming practices. When you speak of overinsurance, let me describe it this way: in this system we have an area coverage which most farmers can have, and if they have losses year after year, they decrease the area average to some 30 percent. So if you had a 40-bushel area average, after a number of years of losses you would be down to 30 percent less than 40 bushels. Some farmers continue to farm at, say, somewhat less than the 30 percent, and that's what they call an abuse category of overinsurance. What we're doing in 1988 is that if a farmer has a 30-percent below area average coverage, he goes on individual coverage. So he will be insured at an exact production, and if his production is six bushels per acre, that's the coverage he will get, and if the production is at 20 bushels, that's the coverage that person will get. So we're trying to eliminate that type of abuse, and it's been causing a lot of consternation across the province with farmers.

The good farmers have also had a concern in that the coverage for their area, the area coverage, was too low. Again, if you want to use the area coverage of, say, 40 bushels per acre and they're producing in the average of 60 to 80, they can't take out insurance because they don't get their coverage. So what we've allowed them to do this year is to go on individual coverage. That means that they can take -- what they have to have, first of all, to get on individual coverage, is a five-year average of their production. If they have that, they can move in on their own production yields. If they have one year, they can use that year of their actual production and four years of the area average. If they have two years, they can use two years of their own production plus three years of the area average, and they can work their way up to their own production yields over the five-year period.

Another concern they've had is that the hail loss under individual coverage could make them drop anywhere -- if they had a 100 percent hailstorm, that would mean they would lose 100 percent of the yield, which would lower their coverage considerably. What we're doing -- and we've had some discussion with the federal government, and I think we've got it to where it's approved that under the new system that we hope to put in, no farmer would lose more than 10 percent of his yield reduction in the case of a hailstorm. So that's something we're looking at quite extensively.

We've increased the drought program now to cover the whole province, and we've had some difficulties with that program. We have a number of farmers who suggest that the program has been too rich. Let me just give you an example. In 1987 we had some 3,500-plus policyholders; we also had some 3,500-plus policies paid out. So everybody collected. What we want to do -- and just to give you an example of what has been done, the loss-to-premium ratio in 1987 has been running around 200 percent. We collected \$31 million in premiums, and we paid out \$63 million. That program I'm sure will be helpful to many parts of the province with a drought this coming year. I notice that the St. Paul area has been concerned about it, and hopefully it'll help there.

We're moving as quickly as we can, as the minister mentioned, to individual coverage. I think that's a right way to go to get the coverage that you should have for your farm and the protection that if you do have a disaster in a hailstorm, you should not lose more than 10 percent of your yield downward.

Another system that I think is very fair and well handled is the appeal system that when farmers have an appeal, they go back to the board. I've instructed ourselves to be very, very fair. If we do have to err -- and hopefully we never do -- we would

err on the side of the farmer. That's been just a real good procedure. With the number of farmers who are on the board, which is all farmers, it is just, I think, very, very productive to have for the people who appeal, because they're talking to their own kind of people, who are farmers.

Mr. Chairman, I think I've covered pretty well the kind of things we're doing. I'm sure if there are any questions over the period of this evening that I haven't touched on, I'll be glad to comply. Again, my appreciation to both ministers. My appreciation to my colleagues on being so understanding. With that, Mr. Chairman, I will take my seat and answer any questions.

MR. CHAIRMAN: Thank you, hon. member. Inasmuch as the ministers and the Member for Whitecourt have covered all seven votes, the Chair will entertain comments and questions regarding all seven votes.

Hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman and members of the Assembly. I want to make a few comments in general about the budget estimates of the Minister of Agriculture and begin, I think appropriately, by saying that I have been impressed with both ministers' staff, not only in their offices -- I find the ministers, too, certainly a lot more co-operative outside the House than I do inside. And the people working in the department, because as a rural member, I have many occasions to contact various departments and various sections in the Department of Agriculture on behalf of my constituents, and the assistance we receive on their behalf is usually very prompt and very courteous, and I would like to acknowledge that.

In commenting in a general way about a few of the things in the budgetary estimates, I think it would be wrong of me not to remind the government that I think we have to take a serious look at cabinet reduction. In a general way the province of Alberta preaches restraint while having one of the largest cabinets in Canada. I think it's inappropriate for the number of people we have in the province and the number of departments that are run. Certainly with the Department of Agriculture the case is easy to make that we have twice as many ministers of Agriculture as we need. Now, I know that always excites the Member for Taber-Warner when I say that, because he acknowledges that we've got two spokespersons for agriculture traveling the province.

MR. BOGLE: Outstanding spokespersons.

MR. FOX: Well, that's your adjective, Member for Taber-Warner.

But two spokespersons for agriculture, and I acknowledge that. But if we want to carry that logic further, perhaps we should have three or four ministers of Agriculture. No, I think the Member for Macleod set a good example when he was Minister of Agriculture and handled it all. Now, I'd be hard pressed to choose between them because I like them both equally. But I am concerned that one of them is starting to peter out a bit, Mr. Chairman. I want to leave that suggestion with the government.

Looking at the votes in a cursory sort of way, I do want to make a few comments about the assistance to the beekeeping industry. I think that was a timely response from the government to help an industry that is indeed facing some very, very difficult times. The assistance to pay \$10 per hive based on '88 production to beekeepers will be a big help to the industry, but I think we need to recognize that it divides the industry essentially

into three groups. Those who overwintered their bees and don't have to worry about a supply in the 1988 year and basically who are unaffected by the border closure decision because of the tracheal mite are helped to the tune of \$10 per hive to cope with the low price of honey. So it's a big help to them. Then there are those who are wintering some hives, not wintering them all perhaps, and have managed to find an alternate supply of bees, either from offshore sources or from producers in other parts of Canada. Now, the program is a bit less of a help to them but certainly a help, because it defrays, in part, the extra costs involved in procuring those bees.

But there is one group of beekeepers that is left out of this program, and I think we recognize that. It's the beekeepers who will be unable to locate alternate supplies of bees and who, because of the border closure decision, may be put out of business. I think it's appropriate to remind the minister here that I think his federal counterpart ought to take a serious look at coming up with a program that would indemnify beekeepers so affected for their loss of livelihood in much the same way that we approach problems like brucellosis in cattle. If a producer is forced, in the public interest, to destroy a herd because of a serious disease problem, then the federal government has a program to indemnify those producers. I think this situation is not unlike that, so we'll pat the minister on the back a bit for his response to a very serious situation. I do hope that he has the opportunity to make that suggestion to his federal counterpart.

Touching briefly on the money allocated to the Agricultural Research Institute, it's my hope we'll have an opportunity to deal with that a little further in the future. It is a Bill that members on this side of the House endorsed with a few conditions; that is, we were concerned that a public sector commitment to research not be diminished. I think that concern has to be re-stated when we see that the federal government is moving towards plant breeders' rights legislation and gene patents and things like that, because the reasons that people often use for going towards that kind of research is that there seems to be a declining commitment on the part of the public sector to fund research, and I don't think turning it more and more into the hands of private sector is the answer to this problem. I think we need to make a much larger commitment towards funding basic and applied research from the public sector because it is in the public interest.

I'm pleased to see the institute up and running. I understand that the directors are in place and ready to roll. I commend my colleague from Taber-Warner for his appointment to the chairmanship of the institute.

I do need to comment briefly, Mr. Chairman, on the mention made in the throne speech of the key component of agricultural research effort in the province, that being the Alberta Farm Machinery Research Centre at Lethbridge, announced in the throne speech without any shame, as if this were some bold, new initiative. I think people have to realize that this is the result of this government's decision to back out of their commitment to the Prairie Agricultural Machinery Institute and cut back on the staff involved there. There were some people who were laid off, some expertise that was lost, some continuity that was destroyed, and now we come forward with what is described as a new initiative. I believe we've made a mistake that we'll pay for in the future. I think the three-prairie-province-funded approach through the Prairie Agricultural Machinery Institute was a good one, and rather than throw the baby out with the bathwater, if there were concerns about PAMI and the way it was operating, I think a little more effort ought to have been made to

try and co-ordinate the efforts of our sister provinces so that this institute could have continued to function not only for the benefit of agricultural producers but for the benefit of small equipment manufacturers in Alberta and the other two provinces.

One of the things mentioned in the throne speech on agriculture, Mr. Chairman, that I don't intend to spend very much time dealing with because the minister didn't either and perhaps this isn't the place, is the trade deal. It would take me more than a half hour to go through again all of the things that I think are jeopardized by this deal in agriculture. I've taken the opportunity to speak in meetings from one end of this province to the other, because rural people are anxious to know more about the trade deal. They want facts; they want to know what it means for their sector and for their communities.

If I might summarize, while we can appreciate and acknowledge the benefits to the red meat industry by tightening up our access to the American market, I don't think that in any way justifies jeopardizing the futures of producers in virtually every other sector, be it eggs, turkey, chicken, dairy, grain, fruit, and vegetables. It's something that we didn't need to be doing. We could have approached it in a sector-by-sector way and come up with an agreement that was equally good for red meat producers without having to load agriculture in Alberta with all this other excess baggage.

I wanted to devote most of my half hour here, Mr. Chairman, in the initial comments on the budget to talking about the government's response to what I believe is the most serious problem facing agriculture, and that is the debt crisis. I consider myself to be a fairly patient agriculture critic and willing to wait and see what the government is prepared to do, and then if I feel they're doing something worthwhile, I'm there to pat them on the back. But I think it's obvious from what isn't in the throne speech and what isn't in the budget that this government is not only unprepared to deal with the debt crisis in a meaningful way. I'm not even sure that they're prepared to recognize that we do have a crisis in rural Alberta and that further delays in meaningful action are going to be serious indeed.

I think reviewing the history of the debt crisis would be helpful here. There was a time in the early 1970s when there was a buoyant optimism in agriculture. Land prices were rising uncontrollably, interest rates were starting to go up, and there was a record number of young people coming into agriculture. I was one of them. People were encouraged to borrow. They were buoyed by predictions from the Department of Agriculture, both provincial and federal, that were saying that there was an unlimited market for our products in the world and that the world was willing to pay. These people would take a close look at their futures and wonder if agriculture offered something for them, go to their local lending agency, which was often the ADC, and lay out a plan that would involve borrowing some money to do this, that, and the other thing and get started.

More often than not the response that they got from the ADC and the advisors there was that they really ought to look seriously at borrowing more than what they were planning on borrowing, because they needed to establish a viable unit. As an example: "The 75,000 bucks that you're proposing to borrow to buy a quarter section, a combine, a tractor, and stuff really should be \$200,000 so you can buy three quarters and a bigger combine and tractor, and be this so-called viable economic unit."

I think we've got to recognize that we had three things involved here. There were people who wanted to get into farming and who signed on the dotted line; we had a government depart-

ment that was making some very buoyant and, regrettably, unsubstantiated predictions about the future of agriculture; and then our lending agencies, which included the ADC, were, I think fair to say, coercing people into borrowing more money than they really wanted to. Because when a young farmer faced with the option of either borrowing the larger amount of money or not borrowing anything at all, would usually opt for borrowing the larger amount of money.

So lo and behold, we move further along in the late 1970s, and interest rates, due largely to a federal policy of the Liberal government, started to rise uncontrollably and went up well over the 20 percent level.

AN HON. MEMBER: Liberal and NDP.

MR. FOX: The Conservative government in Ottawa, by the way, hasn't been prepared to do anything about that interest rate. They've been content to sit and watch it and hope that it dropped, which it did, largely due to international circumstances. But certainly those rates went up, and I don't think there's a farming operation in the province that hasn't been affected very seriously by that period of high interest rates in the late '70s and early '80s.

What do we have on our hands now? We've got a debt crisis in rural Alberta, where the land values that were pumped up to very inflated levels have started to fall and find their level, approaching more closely the productive level of value of the land rather than the speculative value, and a number of producers have found themselves unable to meet their commitments. I think we've got to recognize that we're not dealing with a sector of producers who are so-called bad managers. There are always some people who are going to be falling by the wayside and exiting from agriculture because they're not ready to manage properly or cope with what's going on. But that's not the situation here. We're dealing with a very large segment of our farming population, most of whom are young and most of whom hold the productive future of the province in their hands. They're being forced off the land by circumstances that had very little to do with them, and I submit it's largely because they were born at the wrong time. They started to farm just prior to this period of inflated land prices and high interest rates, followed by a bust with plummeting commodity prices.

I was more than a little concerned when the associate minister, in response to a question I asked her the other day, said:

Mr. Speaker, I don't think this government forced the farmers to take the loans in the first place, so we're not forcing them to make the decision about their financial obligations. . . .

I think we've got to expand our attitude toward that sort of thing, Madam Minister, because there's a shared responsibility here. There are three groups of people involved: the producers that sign on the dotted line, the government who made predictions about the future of agriculture, and the lending agencies. We've got to accept that shared responsibility so that we can do something with this problem, rather than standing by the wayside and hoping it solves itself.

The opposition advocated for a number of years some things that ought to be done to address the debt crisis. It wasn't till 1986, during the provincial election, that the Conservative government decided to act on one of them. That was to extend some long-term, fixed rate, low interest loans to farmers, and that's called the Alberta farm credit stability plan program. We all know the history of that debate and the support given by members on this side of the House for that program. But I think

we've got to recognize that when that program finally came into place, it was too late and done only in a half-baked sort of way, so it's not had the desired impact out there. The actual cost of this \$2 billion program to the Treasury last year was \$35 million, Mr. Chairman, and in the estimates we see this year the actual cost to the taxpayers of Alberta is \$28 million. Now, I don't view that as a substantial commitment on the part of the government of the province of Alberta to attacking the debt crisis on behalf of Alberta's farmers. It's just not good enough.

I want to call the minister's attention to the motion I introduced in the House, Motion 227, where I advocate again that the interest rate be reduced to 6 percent on Alberta Agricultural Development Corporation and farm credit stability program loans. It wouldn't take very much. The mechanism is in place. The program has been delivered and quite successfully, I gather. So with the stroke of a pen, we could extend a much more dramatic benefit to the agricultural producers by doing that.

We've advocated a number of things since that time, Mr. Chairman, that I think would help to abate the debt crisis, but unfortunately they've not been acted on by this government, although I do notice that the Member for Cypress-Redcliff, who I might make note is often one of the few members on the other side with the courage to come forward with some good ideas that might not reflect his party's views on everything, has advocated that we look at vendor lending as a program that offers some benefit to refinance agriculture. I should note that that was something that was spoken about in this House by the former Member for Dunvegan, Jim Gurnett, in 1985 and campaigned on by this party in 1986. So what goes around comes around. I recognize that the government is prepared to accept the good ideas from the opposition, but it usually takes too long for it to be implemented to be helpful, and that's a concern to me.

I do want to emphasize again, Mr. Chairman, that I think we've got to recognize we've got a crisis on our hands. We're dealing with a large segment of our rural population. There is a sense of despair there, and it's not limited to the Vegreville constituency, I can assure you; it's provincewide. I know that the Member for Little Bow has raised the concern, and I've got calls from farmers all across the province whose futures are very bleak indeed. They're asking for some recognition of that problem from this government and some meaningful action.

What did we get? We got in the 1986 throne speech a promise to review the role and mandate of the Agricultural Development Corporation. We got that same promise in the 1987 throne speech, and it's something we've heard talk of since. There was a committee that toured the province and came up with some recommendations -- not all of which I agree with -- and they are contained in this book, *Options and Opportunities*. But I submit, Mr. Chairman, that there's been nothing in the way of meaningful action that changes the way in which this Agricultural Development Corporation lends money and the way in which it handles the foreclosures, quitclaims, and bankruptcies that have occurred -- nothing in the way of meaningful action.

I think that's a particular shame, because the process of having a committee go around the province and solicit input from farmers raised their expectations. There were a number of people who thought some important initiative was going to be a result of those hearings that were held about this time last year, early last winter. I had more than a few producers calling me wondering, "Are they going to announce some major changes to these programs prior to spring seeding so that I can get on with the business of managing my farm, knowing what kind of condi-

tions I'm faced with?" The report wasn't even released until mid to late summer, and nothing's happened as a result. Now we've got producers who are again confronting the decision: "Do I try and keep going? Do I put in a crop this year? Do I try and scare up the resources to purchase the inputs and go out there and farm?" I submit that's just not good enough.

I'm determined, as Agriculture critic in this Assembly, to make sure some of these important things are addressed, because I don't see it anywhere in the budget or the throne speech, Mr. Chairman. So I've included some other things in this motion of mine, and I'll just mention them here. I bring them forward so they are discussed and considered, because I think they're very important.

One of these is that we consider instituting a debt-set-aside program with an interest-free shelter on the deferred principal. Now, no one would suggest that that is a be-all and end-all solution. But certainly it's something that has got to be looked at in terms of helping farmers cope with their unmanageable debts so they can stay in business and build up some equity and begin to pay off this debt when they're in a better position to be doing so.

There's another thing here that I've advocated in the motion, and that is that we establish a debt mediation process that takes into account "negotiation of settlements," that takes into consideration the aspirations and talents of farm families, "the fiscal responsibilities of lending institutions, the long-term viability of Alberta's rural communities, and that provides for compulsory compliance under certain circumstances."

Well, that's a lot of words, Mr. Chairman, but what I did to put legislative weight to that suggestion was introduce today Bill 236, the Family Farm Protection Act; in other words, debt mediation legislation with teeth. Because I think we've got to recognize what this Agricultural Development Corporation is doing. They're actively practising debt write-down. Now, I know that's an offensive word to members opposite, but the ADC practises debt write-down and so does the Farm Credit Corporation. The way that happens is by the loss absorbed by one or the other of those corporations, hence the public, on each foreclosure action. The estimates vary with the ADC: it's between \$110,000 and \$130,000 per foreclosure action. Debt write-down is being practised every time a foreclosed piece of property is resold. What the government is doing here is deciding to give the benefit of that write-down to the farmer purchasing the land. I think we've got to recognize that that's a socially irresponsible policy given the current situation in rural Alberta. Because we're not just dealing with people exiting from agriculture, Mr. Chairman; we're dealing with entire families and entire communities. It's getting to the point where in some communities, if we lose many more people, the communities themselves are jeopardized. The people who are left behind are going to be very seriously impacted by this, because there's just not going to be enough of them to maintain the infrastructure to send kids to school, to shop at the stores, to support the wholesome kinds of activities those of us who live in rural Alberta have come to appreciate.

So there are no simple solutions. There are no simple solutions to any of these problems, Mr. Chairman, but someone has got to bite the bullet and decide to make some tough decisions and start targeting the programs of this government so they benefit the people that deserve the benefit.

I'll just read a statement from a news release from *The Borrowers' Advocate*, if I may -- someone who's working very hard to help farmers, cope with their debt crisis. He says here:

When a family is forced off the farm and a write down occurs



so that the land can be sold to someone else no one benefits...

Except perhaps, the person who already has enough money to make the purchase. The family that loses its home, its employment and its way of life to end up on unemployment or welfare in the city gains nothing. The community which loses its members has no gain. The lender is no further ahead and the government's balance sheet does not look one bit better.

So it's a policy that's been practised, but it's misdirected, and I think that's unacceptable.

The other part of the motion that I put forward to make sure there's some constructive discussion in this Assembly about meaningful action on the debt crisis is the establishment of a voluntary farmland trust, Mr. Chairman, and that's to accommodate the return of ADC-held land to family-owned and -operated farms. Now, I know it's a difficult process, but it's an important objective. I want to make sure that that land goes back as quickly as possible into the hands of family-owned and -operated farms, not into Liberal-operated Eugene Whelan-type sharecropping equity corporations, not into the hands of American multinational corporations that may come up here and offer the government 50 cents on the dollar for the land they hold. We want to make sure that land goes back into the hands of people that are going to farm it and live in and contribute to those rural communities.

This farmland trust would be in place to assist those farmers wishing to re-establish their equity situations through some sort of lease-to-purchase arrangement. That's not a new idea, Mr. Chairman, but it's one that needs to be looked at again very closely. Someone might say that that would resemble at first blush the land bank situation in Saskatchewan, and it certainly does. The option we're faced with here is either a land bank or bank land. I think we've got to decide as a society what's best. What can we arrange to do here on behalf of these young farmers who are being faced with the loss of their farms? If we can come up with some sort of creative financing option that would give them a chance to re-establish their equity, a lease to purchase, and stay involved in agriculture, I think we'd be doing something really positive.

I think we've got to recognize why these problems developed in the first place, Mr. Chairman. One of the things I referred to was interest rates. We've had some talk about what the government has done and what more they could do, but we've got to look also at the escalating prices of land and what impact that had on agriculture. Because I think we all agree that that uncontrolled spiraling in the price of agricultural land had a serious impact on the financial situation of people involved in agriculture.

So today I introduced Bill 247, the Alberta Lands Inventory and Protection Act. I don't see anything in the government's budget that proposes something of that nature, Mr. Chairman. But I think it's important to note that that Act would establish a mechanism whereby land in the province could be assessed as to its productive capability. It would be put into land reserves according to that assessment, and then it would be protected from development and saved for agriculture into perpetuity. I think that's all it would take to protect it from speculation. If it can't be used for industrial or commercial or residential development, then it's certainly not going to be subject to the spiraling costs.

I have to ask myself: why is there nothing in this budget or this throne speech document that acknowledges the very serious debt situation we've got in rural Alberta? I have to assume it's because the government believes we need fewer people involved in farming, that somehow they're prepared to accept the economic conditions as they exist and stand by and hope we as a

province and we in rural Alberta can weather this storm. Those of us on this side of the House and the New Democrat Official Opposition reject that vision of rural Alberta. We think we've already come too far in that direction, that we need to emphasize programs that keep people involved in rural Alberta and involved in agriculture, and that's the kind of thing we're going to continue to advocate on this side of the House.

In the time left to me, Mr. Chairman, I do want to talk briefly about some other important initiatives I think this government should be taking in terms of its budgetary measures. It deals with another motion that I introduced today, and that is that the government of Alberta consider implementing immediately a program similar to that in Saskatchewan to promote and stimulate the development of an ethanol fuels industry whereby we would extend a 4 cents a litre benefit on the fuel tax on 10 per cent blended ethanol fuels. You know, I understand the minister has commissioned another study through Touche Ross to determine the economic viability of this industry. I'm not going to quarrel with that, but I do want to emphasize that I think we could take this important measure now without jeopardizing the outcome of those hearings and without really prejudicing the development or lack of same in the ethanol industry. What it would do is just establish a level playing field so that if an ethanol industry is to develop in western Canada, it's got as much chance in Alberta as it does in the rest of our sister provinces, Saskatchewan, Manitoba, and British Columbia.

I also advocate in that resolution that we undertake province-wide public hearings in co-operation with representatives of farm groups and industry. I know the minister is considering that. I think that would be important, not only to receive submissions from individuals so we can get some more ideas about it but also to promote a general awareness of the importance and potential of ethanol fuels, because this really does hold a lot of benefit not just for rural Alberta but for our province as a whole. Ethanol fuels certainly provide an important alternate market for our grain producers at a time when we really need it, Mr. Chairman, and it gives us some economic development opportunities in rural Alberta because these plants could be located in places like Vegreville or some other communities that have taken an active role in promoting these sorts of plants. I think a rural economic development opportunity ought not to be ignored.

The other thing it does for society generally is that it moves us closer towards a renewable source for energy. Who could argue with that? We're going to have to do it eventually, and what I say is: let's grab the bull by the horns, do the things we need to do to make ethanol a viable industry in Alberta, and get on with the business of promoting it. It's also a clean-burning fuel, Mr. Chairman, and that ought not to be regarded very lightly. So I encourage the minister in his efforts to promote...

MR. CHAIRMAN: Thank you, hon. member. Hon. Member for Stony Plain.

MR. HERON: Thank you, Mr. Chairman. I'd like to compliment and commend the minister and the associate minister for being good stewards and innovators and managers of a very large government department. Unlike the hon. Member for Vegreville, I firmly believe this is one department that needs two ministers, especially facing the agricultural industry during such very difficult times. I'd like to thank the Minister of Agriculture for providing the Stony Plain constituency with excellent field support, and in particular our district agriculturalist. He supplies an invaluable service to the Stony Plain and area

farmers.

I would also like to thank the minister and associate minister for the opportunity to personally become involved in some of the problems facing the agricultural industry through my membership on the agricultural development review committee and through the minister's advisory committee. It's provided me with a valuable insight into some of the financial problems which face our Alberta farmers.

I suppose I take a different view of some of the problems facing the, let's say, stressed or insolvent farmer. The hon. Member for Vegreville focused at some length on the stressed accounts. I would like to just take a look at the profile that we saw out there at 31 hearings represented by 1,000 farmers attending the hearings. The profile came through something like this. Of the productive farmers some 14 farmers have absolutely no loans, some 67 farmers deal with FCC and the private sector, and 19 farmers out of that 100 deal with the Agricultural Development Corporation. So when the hon. member focuses on the tremendous problem facing the agricultural industry and the farmers who deal with ADC, he's really dealing with seven out of 19. I feel that if too much emphasis is placed on helping those farmers at the expense of those farmers who did not go into debt, we could be seriously harming the industry for years to come.

[Mr. Musgreave in the Chair]

I'd like to turn to vote 1 and compliment the minister on the 10.5 percent reduction in the minister's office and draw attention to it, for an overall reduction in vote 1 of 5.5 percent. I would like to note that many of the large increases can be explained by market-driven and demand-driven programs. I suppose the general observation in looking through the seven votes here is that the programs which are delivered directly to the farmer have increased and the bureaucracy expenses are down very sharply. I would, however, like the minister to make a comment on the 112 percent increase which stands out in the Canada/Alberta agreements on processing and marketing, and perhaps a few comments on the large increase in the red meat stabilization program. For the record, I think if the minister could highlight those two large increases, it would be very useful to us.

The hon. Member for Redwater and myself had the unique opportunity to be part of a trade mission to the Soviet Union, and we had a rare opportunity to examine a hog-producing facility and talk agriculture in the Soviet Union. Believe me, I think there is a great danger when the Canadian farmer prays for a Russian crop failure and hopes to export grain long-term to the Russians. Because from what we saw, they're changing very rapidly, they're increasing their production, and I think we have to stay competitive and look to the support of agribusiness. Let me just say that we did have the opportunity, for example, to tour a hog facility 65 kilometres outside of Moscow. It was considerably different from what I expected. We arrived at clean, modern facilities. Mr. Zarusky was able to talk technical matters with the producers and found that in some areas they were ahead of our programs and in other areas they were behind, but generally they had the same backfat and market objectives we had. All the way through our discussions was their priority on agriculture. I think Russia will someday again, as it was prior to World War I, be the breadbasket of Europe, or it has that potential. So I think it's so important that we develop our agribusiness possibilities here.

We were told over there that with Gorbachev's new program to allow the workers on the collective farms to trade and sell some of the produce off the farms, production on those little plots of ground increased more than what the large collective farms did. In fact, overall production increased 30 percent. So I think they're moving toward rewarding individual initiative and being more competitive.

I praise the minister for his comments tonight in support of agribusiness in preparation for free trade, wherein he mentioned that we have to find markets for 77 percent of our beef or approximately 60 percent of our pork. I think there's a long-term challenge to keep those subsidies out of our industry and keep our farming industry lean and mean so we can be competitive on a worldwide market. I think we're looking today at good production. Our farmers here in Alberta are good producers. I think our challenge is to find markets for that produce and to develop agribusiness.

The hon. Member for Vegreville focused a good deal on the debt crises and said that we have an obligation to share the responsibility. I think a good review of the programs announced -- the farm credit stability program, the farm fuel rebate, and many of them -- will say that we accept that responsibility fully. I think we've met the challenge responsibly without distorting the overall credit ratings of farmers at large.

It's one thing to focus on the doom and gloom and those farmers in trouble. I've recently come across some statistics where there are about 9,000 borrowers with the Agricultural Development Corporation. Some 3,000 borrowers have paid \$5 million in advance -- have paid in advance. Now, clearly that's offset by those poor souls who are in trouble. Some 2,700 or so are stressed or practically insolvent. There are many of those farmers who, quite frankly, will not be able to survive the crises just as many small businessmen and many people in the real estate sector or the business sector will not survive. They simply paid too much for the factory, simply paid far too much for the land, and short of straight granting them out at the expense of those who didn't incur the debt, they just plain won't survive.

I think there's a danger, though, that we respond to last year's data. In other words, we have to recognize that ADC is changing very, very rapidly. I am told that their lending activity is down some 70 percent in the last two years, that they made under 500 new loans last year. I think ADC is meeting the challenge in providing restructuring and debt counseling to stressed farmers as opposed to carrying on with a lending activity that just isn't there. The profile the associate minister presented a few moments ago was right on, and that is that the loan average moved down from \$113,000 last year to some \$93,000 this year. In other words, the debt is coming down. And I think ADC can meet the challenge. I think it's dynamic, it has the personnel, and with a shift in priorities, it will be there to help the farmers of tomorrow.

I think it's very, very important to report that the agricultural caucus of this government recently met with The Canadian Bankers' Association. I guess it's contrary to what the hon. Member for Vegreville found with options and opportunities, but they complimented that report and said that the presentation of data was up to date. They noted its accuracy and said it would serve as an excellent source for policy review debate and future discussions. I think that's important, because a great amount of time went into the collection of the data there to take a look at the problems facing the farmer and some of the statistics in the farm industry.

I would like to also draw attention to a new piece of data

that's available. For example, the Canadian Imperial Bank of Commerce, in its last October statement, broke out its loans by industry for the first time. If you refer to that statement, you'll see that there has been no decrease in lending activity to the farmers, that in fact the farm loans surpassed that of many other industries. But I think it's very significant to note that those loans in arrears for the agricultural industry weren't as bad as some of the others. This was consistent with the collective data presented by The Canadian Bankers' Association. I guess it's most significant that they have reported that in the last quarter their percentage of loans in arrears has turned down slightly. They say that their land they've had to foreclose on has been moving at a much faster rate and that, in fact, the price is trending up a bit. They also acknowledge that the farm credit stability program greatly benefited the financial strength of the agricultural industry, and complimented this government for its initiative in that direction. But I suppose it's very pertinent to note that the agricultural debt is coming down. So I say that, recognizing the danger that faces any government or policymaker: that you could be responding to yesterday's data in proposing some solutions.

I think there's also a danger that in discussing debt and farm problems we focus on the productive farmer. I think that if you look at the income tax rolls and the municipal tax rolls, you will find many, many farmers by their definition, but in fact they're hobby farmers or people who choose a rural way of life which is uneconomic in terms of farming income but which may be economic when you add their total income to the farming income. So by illustration, then, I refer to Options and Opportunities, and say that in terms of municipal farmers, we have some 51,000 farmers, but 21,000 of the 51,000 farmers do not gross at the farm gate \$25,000 per year. I ask all hon. members to consider when proposing policy for those farmers who do not gross \$25,000 but who choose a rural way of life, to make sure that we're targeting the programs to the remaining 30,000, or the productive farmers, those 30,000 that produce 90 percent of the goods and services in this province.

I agree with the hon. Member for Vegreville when he made reference that we have to preserve the rural way of life and the fabric of our communities. I think that can be done by addressing those problems which face the productive farmers, but also to support the hobby farmer or the acreage owner, the person that wants to live out there, through programs other than agriculture.

I was glad that the associate minister highlighted some of the initiatives that have been taken as a result of Options and Opportunities -- that is, the partial quitclaims, the mortgage assumptions, and some of the other programs -- both in question period and this evening.

I was also glad that the hon. Member for Vegreville mentioned the crises facing our beekeepers, and I would like to compliment the Minister of Agriculture for providing financial support to both sides, both organizations, at opposite ends of the debate, to travel and make representation to the federal minister. Hopefully they can resolve their problems so as to avoid a major financial crisis in the bee industry.

I believe, Mr. Chairman, that you have another 11 speakers on your list to go. With that I will conclude and await the response of my colleagues.

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

MR. TAYLOR: Thank you, Mr. Chairman. In speaking today on the budget, I thought I'd hurry through first and give out any compliments I had, because the rest of it will not be compliments to the two ministers of Agriculture. I would like to compliment them for the fact that all the Departmental Support Services show a reduction; in other words, there's a reduction in the associate minister's staff, the Deputy Minister's Office, Farmers' Advocate. In other words, they are trying to cut some costs, at least on their own office expenditures. One of the knocks that's been on this government for some time is that there's one rule for the budget out in the field but another one for the people in the office, with their bigger cars and more assistants and expense accounts. So at least the Associate Minister of Agriculture and the Minister of Agriculture are both trying to cut costs.

Now, to get on to some more critical analysis. I'm a bit bothered by the Crow offset program that they make so much about. The offset program as far as feed and that's concerned, I can see. But somehow or another, Mr. Chairman, they have been able to get the impression across to many, many farmers in Alberta that they are fighting to get the Crow subsidy paid directly to them. So regardless of whether you are a farmer who's raising pigs or grain or turkeys or wheat -- it doesn't matter what it is -- they somehow or another have got the impression that this government is going to wave its paws around and all of a sudden there's going to be a cash grant of some sort, maybe enough to retire to Hawaii -- or if you can't get to Hawaii, you can get out to Sherwood Park; that way you could see the minister going to work every day. But some other joy that they would expect to derive if this grant came through.

This is what I have continually tried to get out of the department -- and I hope they take time when they're summing up to give the answers -- just how they're going to split the Crow benefit up amongst farmers. The grain farmer, who has been the big beneficiary of Crow rates up to now, is he or she going to get more than, say, a turkey farmer or somebody who raises canola? In other words, I think it's a bit of a canard, Mr. Chairman, that they're foisting on the rural public out here in trying to give the impression that somehow or another if that dirty old Crow rate was abolished, there'd be huge piles of money coming in to farmers, no matter who they are. Whereas if you sit down and try to figure it out or put a pencil to it, it's almost a little impossibility. This government, rather than admit that giving cash grants to farmers is impossible and settle down to some sort of system of generally subsidizing the whole freight structure of western Canada, which was their intent in the first place -- we're going to get no place. The idea that somehow or another there's a huge fund of money that's going to come in as a cash offset just in time for you to retire is not going to sell.

The other area I'm concerned about, Mr. Chairman, in looking at these budgets is the case of free trade. Now, I know the minister said they now had a guaranteed market. Well, how you can read that free trade agreement and think you've got a guaranteed market is one of the most puzzling things I've run across. I think I know the English language reasonably well, and there's no way you can read that agreement to say you're going to get assured access. Very clearly in it is that Canadian products in the U.S. can be countervailed. Likewise, we Canadians can countervail American products.

What bothers me most of all in this whole idea of free trade and getting access to the U.S. market is that somehow or another we think we're cute: we have a natural gas subsidy or a fuel subsidy or a guarantee to build a plant; somehow or another

we're going to be able to use all these things and somehow or another penetrate the American market. Surely to gosh, if we can beat the whole idea of subsidies, get around the whole idea of an illegal subsidy by these methods, why can't the Americans do the same thing, Mr. Chairman? If we can get around subsidizing directly and use these things we call a natural gas subsidy, the fuel subsidy, the Crow rate offset -- all these areas -- it's puzzling to me why the Americans can't use the same. Well, if the Americans can then use the same as we can, what the heck have we gained? We don't have a free trade pact. So somebody has their head in the clouds, Mr. Chairman. Either we have a free trade pact and neither side is allowed to put these subsidies together or all sides are allowed to put these subsidies together, which means that we don't have a free trade pact. I don't see how they can have their cake and eat it too.

One thing I would like to ask them directly, and I hope they make a special note of this particular question, Mr. Chairman, through to the minister. With the rate to the feed grain offset, can an American farmer come up here and purchase grain from an Alberta farmer and then take it back and feed it to American cattle? Can he do that? Now, the hon. Member for Stettler has been neighing behind me for a while there, but I don't know if he's been fed or not. Anyhow, I've put that question on the paper and I'd be very intrigued.

Now, let's go on a bit further. When we look at the budget, Mr. Chairman, on Agricultural Development Lending Assistance, a couple of things bother me. First of all, I think it's about time that this government took their courage in their hands and gave some teeth to the debt adjustment board. The advisory characteristics of the debt adjustment board now are just not good enough. The debt adjustment board should be able to set aside debt payments or to delay them, stretch them out or suspend them wherever they felt that the problem the farmer was in was not due to the mismanagement of the farmer; if it was due to bad crops, bad health, or whatever it is. Consequently, if they had teeth, no owner-occupied farm could be foreclosed on without first getting permission from the debt adjustment board. It would go a long way to easing the minds of many farmers out there that are now up to the armpits with snarling bureaucrats, all coming around to try to collect the money for the Alberta Agricultural Development Corporation. That would be a huge step in the right direction.

Secondly, I was a little surprised and disappointed that the associate minister dismissed out of hand some of the thoughts and concepts put forward by the last Agriculture minister, Eugene Whelan. He was looking at it from the private sector, about buying land. Now, what I would like to suggest, Mr. Chairman, is not so much to buy Whelan's concept, but he had a glimmering of an idea there that I've seen used in Great Britain and Holland and Denmark; that is, a nonprofit foundation. [interjection] That's right. There might be a certain amount in there, but this is going beyond the Quantz formula -- a nonprofit foundation that would take money from investors. You'd sell units to different investors that would use that money to buy lands or farms from farmers at a value that they agreed on voluntarily. So if a farmer decided that he wanted, as the ranchers of old did -- instead of tying up so much capital in the land ownership, the farmer himself would decide that he would certainly like to get the cash back out of his land that's tied up holding title, but at the same time, Mr. Chairman, that farmer would want to retain the right to farm it all his life and then pass that lease on. In other words, it would become a leasehold property, and he would have the right to pass the lease on ad

infinitum from generation to generation. That way the farmer would recover the cash from his land.

This would be strictly voluntary, and it would be a private foundation, so you wouldn't have to worry about a land bank run by the government. That foundation in turn would rent the land back to the farmer for one-third rent. The income that the foundation would derive from selling the products for one-third rent would in turn then be paid out to the investors. And the investors would have -- particularly if the Treasurer of the day saw fit to give a beneficial tax return on the interest received on the investment -- then you would have encouraged your private capital going into a nonprofit foundation and the farmers in turn getting what they want: a lifetime lease on their property which could be passed on from generation to generation, as it is now in the Dutch polders, in the Danish flatlands west of Copenhagen, and in commercial property in the south of England. In other words, some of those people have been in leasehold properties for up to 300 and 400 years.

So it will work. It's a concept that will work, and it's one of the methods many farmers would want if they wanted to own the title, if they wanted hold on to it. That's fine. It would be voluntary. But those that would like to jar loose their cash and not pay the huge interest costs of holding onto land title but could still hold their land would be able to go ahead and do that. I just give that as a gratis suggestion. If the two ministers over there want to boost their party into a position of winning the next election, they can have it from me free. I'll only claim two or three times that I invented the idea.

Now, I will move on to another area that bothers me a certain amount: this whole idea of crop insurance, assistance, and the different schemes. I believe the ministers have something like 39 different schemes on how to aid a farmer. One of the ones that was put in last, I remember last year -- I think there's a \$20,000 grant available for a farmer that wants to raise strawberries, if he can show that he can raise strawberries. I believe there's something along that line. So there are almost as many grants as there are MLAs.

Why are we sticking with this old-fashioned, outmoded, antediluvian concept of commodity pricing, commodity bases, and putting base pricing on commodities? We long ago, maybe 50 years ago, did away with that form of support to an industrial worker. We long ago threw out the idea that if a man that works in a shoe factory was losing his job because shoes were not competitive any more -- we didn't say: "You keep making shoes, and we'll pay you another \$1.50 or another \$10 or \$20 for each shoe you turn out. What we'll do if we get too many shoes, we'll bury them in a hole. That's the only way you're going to get any aid." No. We said that if you exist as a human, you have the dignity of the individual. If you exist as a human, if your family is there, we're not going to tell you you have to produce a commodity that nobody else wants; we're going to give you unemployment insurance; we're going to give you a base set of income.

So why don't we start throwing out this idea of aiding farmers through the commodity system and go to a basic income to the farm family, regardless of whether or not they are producing more pigs or producing wheat or producing barley. That way the free market would be allowed to take place then in the commodity market. The farmers would be encouraged in fact then to experiment with different ideas and different concepts of what kind of crop would sell and what wouldn't, rather than trying to outguess today both the market and the bureaucrats. Because if you're raising something today you don't know whether

you're going to sell into a market that will have a good commodity price on it due to the laws of supply and demand, or the price may be blown out of all proportion or you may get blown out of the water because the government has put some subsidy scheme in that attracts in a whole group of inefficient producers to produce the same commodity that you could produce economically if it wasn't for your competitors all getting some sort of a subsidy. So what we end up with is the last state being much worse than the first.

So if the government, and particularly a Tory government that preaches free enterprise and the free market, sits there and dabbles and plays with the commodity market as a form of assisting the farmer, that is anathema. That is one of the most puzzling areas. I suggest that the government over there would do much more if they looked at a negative income tax or a basic income or whatever it was to the farm family, and let the farm family use their imagination, use the well-known initiative that the western farmer has to diversify and come up with crops that may sell. Because let's face it, like the person on unemployment insurance -- many people said when they came up with unemployment insurance: "What? You're going to pay somebody money for staying at home, not turning out buggies that we don't need anymore or horse collars that we don't need anymore or shoes that we don't need anymore?" The same argument you'll say here today: "What? Are we going to pay farmers for not turning out pigs, not turning out barley, not turning out corn or turkeys or whatever it is?" We have to get that mental leap that if we aid the farmer or the farm family, give a basic income, the same thing will happen there as happened in the industrial sector. There will not be so much money that they all sit on their hind ends. They'll think of other ways and other concepts to utilize the farm and get under way.

Next, Mr. Chairman, I'd like to touch a bit on research in the budget. The Minister of the Environment, the happy little beaver that he is, anytime he sees some water trickling somewhere he wants to put a dam in. I suppose that has some points about saving water to use it. But I think instead of turning the Minister of the Environment loose with his grandiose ideas of moving dirt and "Great God" metaphor, maybe the Department of Agriculture should be spending more time in exploring drought-resistant type crops. We spend hardly anything on that. We work on the concept that the Minister of the Environment is going to bail us out by storing some water up someplace so that he will go ahead and we can farm from that. I think much more research could be done on drought-resistant crops. And as far as I can see, very little or anything is done. If we believe the so-called greenhouse effect that is supposed to be coming into the north part of this continent, what we're going to expect is drier and drier years through the years ahead. A certain amount of saving water may postpone in small areas the inevitable. But the fact is that we will have to adjust our economy or adjust our farming to do much more crop with less water, and that means drought-resistant varieties.

Also, while we're on research -- and this touches on the Minister of the Environment too. I noticed in reading *Hansard* the other day that he got off fairly easy -- I wasn't in the House -- on the High River plant. The High River beef plant, if it goes in, will be using water not from the stream but from the subsurface. The way I understand it, they're going to drill wells to get the water volume to put through that plant. That, I think, is a very, very dangerous thing indeed. Just as we have occasionally said through the years that certain resources have to be protected, I think our subsurface water tables should not be used

by industry. They should not be used by the oil industry too. Yet we have millions of gallons being piped out of the aquifers of this province, which I believe would be much better used by the farmers themselves, either to irrigation or to give to the cattle, then allowing industry to use it. One of the knocks against the whole High River plant... [interjections] It's amazing. In a way I feel like Socrates at times, the way the youth gather around in order to absorb some knowledge. However, I hope you don't give me the same drink that Socrates had to take.

Now, let's go on in one other area in research: weather modification. The associate minister, when we talked about weather modification and hail suppression, complained bitterly that hail suppression had done nothing more than precipitate more rain. Remember those words: the associate minister said hail suppression did not suppress hail; it precipitated more rain. Well, if indeed the Minister of the Environment is right, and we're going to run into a drought of water -- not words, as far as he's concerned -- and indeed the greenhouse effect is going to put in a dry climate, why then can she not follow her own advice and go back to weather modification and get that so-called wetness: all that water that she said was excess and what we didn't need here a few years ago, but apparently is what we want. So I would think, Mr. Chairman, that the least that the associate minister could think about is maybe reinstating the weather modification program, because indeed if one side is right, it'll suppress the hail; if the associate minister is right, we'll get more rain. And God knows we need more rain, Mr. Chairman.

Moving on, lastly, while we're in the area of research, is ethanol. Ethanol is something that I've been associated with since college days. It started out with getting some under way -- it had something to do with some of the original ethanol plants here in western Canada. One of the things to remember about ethanol though... Actually, I would think a good number of the people on the opposite bench may be partly pickled most of the time anyhow, but I'm talking about the brain now, not anything else here. [interjection] I wouldn't suggest for a minute the ethanol pipeline should be laid into the Legislature, when you wouldn't even allow me to put drinks into the cafeteria.

But I would suggest that the the ministers of Agriculture contact the Minister of the Environment and see whether or not the Minister of the Environment could not put regulations into force in our cities that would force gasoline with alcohol to be used to give more complete combustion, to bring down the carbon monoxide content. It seems to me that what we have to do is create a demand for ethanol, and if this government does not have the courage to take on the major oil companies and say, "Look, it's not only the lead that we do not want; we do not want the carbon monoxide in our cities" -- if we had the courage to do that, then we'd create a market for ethanol. But as long as you're allowed to wander around and burn gasoline in these cities, and collect the type of tax we do on gasoline, it's going to be very, very hard indeed to sell ethanol.

Ethanol is just not a case of getting a load of barley and turning it into a potent brew; it's a case of establishing a market that is economically sound. And the only way we can make ethanol a requirement to be used in our gasoline is by making our pollution laws rigorous and tough enough so that the only way to get complete combustion is by using ethanol.

Thank you, Mr. Chairman, those are the gems of wisdom I wanted to implant there. [some applause] Thank you very much. It makes me feel a little humble, you know, just to see

them out there clapping the desk on my side. So I'll quit while I've still got eight minutes to go. Thank you.

MR. DEPUTY CHAIRMAN: The Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. It's a pleasure to have an opportunity to speak to the estimates of our Agriculture budget. I would like to commend the ministers and staff and department for the fine job they have done over the past year. Certainly it's not an easy job. They've been very, very co-operative as far as our Wainwright constituency is concerned, and we thank you for that. I have to say that when we look at the \$500 million budget that we have in our new budget it makes Alberta one of the nicest provinces in the world to farm in. I believe our budget does recognize that agriculture is the foundation in this province.

I'd like to comment a little bit on our input costs, and certainly I just wanted to touch on a couple of them. The major one that we have done in the past two years is the farm credit stability program. Our people are extremely appreciative of that program, because it actually puts about \$3,000 or \$4,000 or sometimes more in each farmer's pocket, depending on the number of dollars he borrowed, and that is a very, very considerable saving for the people.

I also would like to say that we really appreciate the farm fuel distribution allowance. Certainly last year, with the fuel price war on, that was an excellent program. That helped the farmers over some very, very tough times. I also say that of many of the programs we've seen in the past, that has to be about the fairest way of distributing government funds into our agriculture industry.

The red meat stabilization plan and the \$19 million that goes towards that: I would like us to continue to encourage all of our provinces to get into this plan. It does make a lot of uncomfortableness along the border when our Saskatchewan red meat stabilization plan is more lucrative than our national plan. The Saskatchewan people come into the Provost auction market. They buy the cattle first and pay a fairly high price for those cattle. Our competing people in Alberta have to let them get their cattle and get out of their way. That seems to be quite -- well, it's inconsistent, and it's not a good situation. It would be nice to have that as a national program.

The crop insurance program. I'd just like to say that I think we're really heading on the right track with that, Shirley. I'd love to see you go towards the individual coverage. It's going to have a big impact on getting full participation in the program and reduce a lot of agriculture risk.

The Crow offset program has been a dandy as far as encouraging the livestock industry in Alberta. We certainly are feeding more cattle now than we ever have. We're developing our packing industry. Also, we're creating a lot of jobs, and there's spin-off from those industries here. It's really been a positive thing for our province. I have to say that on TV the other day I was watching a feedlot operator from Manitoba being interviewed. He was wondering what they were going to do, because they couldn't compete against even Alberta buyers coming down as far as Manitoba and buying cattle. It seemed that Saskatchewan people were in there as well, and they were third on the list. Some of those people are going broke. Before the program was over, I felt sorry for him because he had to compete against a subsidy in other provinces. But he did say at the last that it would be nice to get a national policy across the board with our Transport Act as well as our national red meat

program. He did recognize where the problem was, and I would like us to continue on until we get that payment made to the producers, when; it should be.

I wanted to talk just for a minute or two about -- and I am going to introduce a little Bill on this market development a little bit later on. I just looked in the estimates, and we have spent an extra million dollars on assistance for the Alberta food processors promotion, and we have cut our budget a little bit with the Americas market development and the overseas. I really believe that we have to get busy and spend a little bit more money in developing those markets, and I have to say especially overseas. I know that we do quite a little bit in the U.S., and I know that's our natural market. But we do get extremely heavily dependent on the U.S. for our markets, and I think we should be able to go over to the Pacific Rim, where there's a big, big market, and do a better job of selling over there.

I realize -- and I had a few numbers here -- that we spend roughly \$4 million on marketing, and we do have a \$4 billion industry that we're selling. I think we have to up that spending a little bit. For instance, we have seven staff in the U.S. that are selling; we have only one and a half in Europe and the Middle East, and we have three and a half in the Pacific-Asia area. I realize, too, that we are infringing a little bit on some of the private companies that should be doing this marketing themselves. I firmly believe that these companies would do the marketing if they had a little bit more competition, and somehow or other we have eliminated their competition through regulation and through a lot of other areas. I know that when we go out and develop a market, I'd like to see us come back to some of our smaller companies and act as a catalyst for some of the smaller companies, if it were possible.

[Mr. Gogo in the Chair]

I know that when we get over into those countries, we almost have to have someone live in that country in order to develop that market and follow it through and see to it that we can get our products over there. Certainly it's something that I believe we have to open up quite a little bit wider.

With that I would just like to say once more: thank you for your help this past year.

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

MR. PIQUETTE: Thank you very much. I'd like to thank the Member for Wainwright for allowing me at least 25 minutes to say my piece. I'd like to begin tonight by thanking the minister and the associate minister for their brief presentations. I hope we somehow can perhaps have another evening designated to listen to the answers to the many questions that have been asked tonight.

I'd like to start off by congratulating the Member for Vegreville for what I thought was a very excellent presentation on behalf of the Official Opposition, the New Democrats, in terms of the agricultural committee and the agricultural critic area that he's heading. I thought that in his speech of about 30 minutes the presentation he made was probably the most intelligent, most logical address about the economic situation facing farmers today, and very practical solutions to these very grave crises that are happening today in Alberta and across the west. I hope that after the next election we can have his services as the agricultural minister so that we can finally address some of these long-standing issues that seem to be not being ad-

dressed by this present government.

For a government that basically ran the last election making agriculture the number one priority in Alberta -- and we look in the throne speech and the '87 budget, which have degraded agriculture to probably number five on their priority list -- I really think they have deceived the farmers of Alberta and have not really answered the kinds of questions that the Alberta farmers asked them during the last election campaign. They trusted the government to address the farm debt crisis, and they basically failed to provide any answers. The ADC task force went around the province, as we did in the Official Opposition. They heard the concerns they had that the government had to react to that crisis, and we're still just like the small power producers, I guess, waiting for decisions to be made and probably waiting for the problems to take care of themselves. That is not good enough in terms of leadership in this province.

One of the questions I would like to ask the Minister of Agriculture is this. According to the public accounts for 1986-87, in terms of ADC and the \$2 billion farm stability program which was offered to the farmers at 9 percent in 1986, basically copying the New Democrats' plan which had offered long-term funding at 6 percent rather than 9 percent, I find that there are some very upsetting kinds of situations that I see here. You know, we've been saying that the program is costing \$28 million approximately, the government portions of it. However, public accounts here indicate that the government borrowed \$386,936 million U.S. approximately at 7.375 percent and borrowed \$300 million from the U.S. funds -- the interest rate here is not indicated -- and borrowed the rest, \$733,948,660, through the Alberta heritage trust fund, at what interest rate we don't know. However, if we take, for example, the 7.375 interest rate that they borrowed through the U.S. dollars, through that portion of that borrowing we are making approximately 1.625 percent profit on that loan in terms of what we're offering to the farmer.

If we are going to be saying that we're really serious in terms of using the Alberta heritage trust fund as a way of diversifying the economy, providing a rainy-day type of account when the economy is in crisis -- and I don't believe the Minister of Agriculture would deny there is a farm crisis out there, and a very serious farm crisis; all farm leaders indicate that this is the most serious crisis since the 1930s. If you look at the grain prices, it's even worse than the 1930 crisis, because in terms of what farmers are getting for barley -- for example, about 98 cents a bushel -- it's a lot worse when they compare the inflation and the cost of living in 1988 to 1930s'; it's probably twice as bad as what we had in the 1930s. Now, if the Alberta heritage trust fund is to be used as a rainy-day type of fund, why aren't we providing 6 percent money for our farmers? Because really, in 1987, a period ended March 31, it only cost the government \$14 million to provide this 9 percent stabilization funding for farmers, or \$17.5 million over a 12-month period.

Now, that's a government that's been bragging to the Alberta farmers that we gave farmers \$2 billion in terms of low-interest, long-term funding. I mean, we did not give farmers \$2 billion; we provided subsidies of \$17.5 million. I'd like to ask the minister how much it has cost us this past 12 months, the period ending March 31, 1988, in terms of subsidizing the 9 percent stabilization program for farmers. So I think there's a lot of cause for cynicism here by the farmers of Alberta when they've been hoodwinked by statements by the government.

The other issue that I'd like to raise tonight, and I thought the Member for Stony Plain -- I hope we can send copies of his speech to all the small farmers or the family farmers of Alberta.

I believe he's answered what we thought was the secret agenda of this government in terms of not addressing the farm debt crisis, of allowing farmers to basically go on the side. He's talking about praising agribusiness, that really what the provincial government is interested in doing right now is promoting agribusiness at the expense of the family farm, it looks like. I'd sure like to see the farmers in my constituency read his speech and just see how many of them agree with his policy directions. But I would say that that pretty well reflects the secret agenda of the government in terms of failing to address the farm debt crisis basically by inaction.

And when we look at the Farm Financial Management Services, which is in vote 4, we find a 31.4 percent decrease in terms of providing Computing Support for farmers, General Support Services, Farm Accounting Assistance; Farm Financial Counseling has faced a decrease of 27 percent and Management Training a decrease of 27.4 percent: a drop in funding. Now, do you mean to tell me that the the Minister or the Associate Minister of Agriculture was saying that what we're providing for farmers today is counseling on how to solve their debt situation, how to address the farming crisis, when this year we're actually decreasing that segment of our budget by 31.4 percent? I say shame on the government for saying one thing and practising the opposite in this budget, because one thing farmers need today is more farm financial counseling in terms of helping them address the very serious situation that faces them down on the farm.

We find as well, in Agricultural Societies and Development Committees, a 25.7 percent decrease in funding. And it's very cynical and hypocritical of the government that they're actually moving away from helping farmers in the debt crisis, because they have not come out with any policies which have been advocated by our party of setting aside debts on a voluntary basis. We are, of course, reducing our total debts, I guess, that are owed by farmers by simply forcing them out of farms and letting the taxpayers pick up the costs. As the Member for Vegreville so eloquently stated, we are already practising some type of debt-aside, but it's not the farmer who has the farm that is benefiting; it's the one who is buying who is benefiting in terms of the dropping of the price of farmlands in Alberta.

One thing that the Associate Minister of Agriculture and which I addressed in the heritage trust fund committee is that I would recommend that what the Agricultural Development Corporation should be doing is lending...

MR. CHAIRMAN: Order in the committee, please. Athabasca-Lac La Biche.

MR. PIQUETTE: ... that the ADC should be lending on the productive value of farmland as opposed to the speculative. She was asking for some practical advice on new directions of lending programs for the Agricultural Development Corporation. Well, that could be one you could be acting on immediately, because one of the things we've done in the past is that we've allowed the real estate market to dictate the financial contribution that we make in terms of beginning farmers. It's about time, if we're going to be serious about farming being a viable industry, for the family farm to be based on the productive value of our agricultural land and not on the speculative. If you travel -- the European Common Market, for example. Many of the countries have come to realize many years ago that you cannot speculate with farmland, that you need to have some safeguard by which to guarantee the family farm's continued existence. In

the boom period in Alberta the only people that really profited in the end were the banks and the real estate market.

MR. DOWNEY: A point of privilege, Mr. Chairman.

MR. CHAIRMAN: Order please. Does the hon. Member for Stettler have a point of order?

MR. DOWNEY: A point of privilege, Mr. Chairman. I thought the assembled committee may be interested to know that Willie de Wit won against Henry Tillman in 10 rounds, a unanimous decision.

MR. CHAIRMAN: Thank you, hon. member. The Chair has some difficulty having that in with agriculture, but I guess in view of the hon. Member for Grande Prairie -- it's probably an agricultural community. Athabasca-Lac La Biche.

MR. PIQUETTE: I thank you for helping me with that knock-out punch. There was no knock down, I believe, just a... [interjection] Okay.

Another issue that is very important in my riding of Athabasca-Lac La Biche, as well as many surrounding constituencies in northern Alberta, is rail abandonment. In Athabasca we're facing the abandonment of the CN line from Morinville to Athabasca, a 73-mile rail line which services many communities along that line, because CN says that in order to increase efficiency we must abandon the rail line: the policy of the federal Tories, which is basically, I think, supported by this provincial government. And that's a terrible thing again.

I've attended about half a dozen meetings relating to the rail abandonment, and I still do not see any proof that abandoning rail is the only option in order to decrease transportation costs. They, CN, seem to be equating that the way to cut down costs is basically to abandon lines. Well, I guess if we let CN go all the way down the track, they'll probably have just two main branch lines across western Canada. They'll ask farmers to drive their trucks or whatever down to the main lines traveling through Edmonton and Calgary, and that's going to be it, if it's going to be left in terms of CN and CPR.

One of the things that I find in the rail abandonment which has not been addressed in terms of grain-dependent rail lines is that grain boxcars are only utilized 13 percent of the time. Now, why don't we start telling CN and CP to start becoming more efficient in the use of grain boxcars, increasing that efficiency from more than 13 percent, which is the present efficiency rate that they have? If we even had them increasing their efficiency of handling grain boxcar delivery to the grain terminals by 10 percent, we would probably realize a lot more net saving than using rail abandonment as their option of saving money for transportation of grain for farmers. I want to have the Minister of Agriculture taking the side of the farmers here who are now being asked and forced in many areas of this province to drive further distances to deliver their grain, to start telling their federal counterpart to start listening to the concerns of our farmers here in Alberta.

One of the things that rail abandonment is going to create -- and I'm glad the minister of transportation is here -- is that by forcing farmers to drive larger trucks over our county roads, over our primary and secondary highways, we will have to, as a province, pick up that cost of the deterioration of our highways in Alberta. There won't be any compensation from the federal

government to help us maintain those roads in Alberta. So I think there's going to be a direct cost to the government of Alberta in terms of going in cahoots with the federal government and encouraging rail abandonment.

Rural post offices are an issue which I think the Minister of Agriculture and this provincial government, who say their roots are in rural Alberta, should be addressing. That is another area besides the abandonment of farms which is forcing our farmers to drive farther and farther to access basic services. I mean, a rural post office is a basic rural service. We already have...

MR. CHAIRMAN: Hon. member, the Chair was having some difficulty with the railway system in these estimates. Now it's really having difficulty with the post office and this system. Perhaps the hon. member... [interjection] It may be political stuff, hon member, but perhaps we could come back to the estimates before us.

MR. PIQUETTE: Okay. Well, I believe I made my point about rural post offices. It is a very important rural issue.

A brief comment I'd like to make about free trade. The minister, in his address, mentioned free trade, and I hope I'm allowed, Mr. Chairman, to make a comment about that. It's that this free trade thing here has no guarantee for our markets of agricultural products. I can tell you one thing: the rising Canadian dollar is going to be more negative on trade to the United States than the positive impact of free trade, if there's any positive impact of free trade. Already our Canadian dollar has increased by 10 cents against the American dollar. And let me tell you, the Americans won't buy a hog or anything from us if it's not the cheapest they can purchase. So really, free trade is not an issue in terms of being positive for Alberta farmers. The value of the Canadian dollar is what really determines whether we sell to the Americans, much more than this free trade package, and that's been overemphasized by this government.

Another issue I'd like to raise in my constituency is the need, again, for a DA office in Boyle, which is the centre of our agricultural industry or transportation link in the constituency. A cutback in terms of services doesn't offer me much hope in terms of the minister being able to provide one, but I would like him to address that issue. We feel that there's no cost for an office. From what I've talked about with the minister associated with the provincial courts, we could be providing space within the Provincial Court Building in Boyle. Basically, a part-time or a full-time DA office in Boyle would be very inexpensive in terms of providing farmers with a basic service in that town. So I would urge the minister to look at that issue this year, because I believe that is something which has been asked for by the farmers in the Boyle area for about two years now.

The other area I'd like to address is that I see nothing in the votes here relating to blackfly control or any statement made by the minister relating to blackfly control. I believe he's putting together a package, and I'd like to have a little bit more detail about blackfly control, because there's no doubt the blackfly situation in many parts of northern and southern Alberta is very negative in terms of the beef industry. We have written a letter to the minister and to the Minister of the Environment relating to some proposals that we put forward in terms of biological control, in terms of some safety nets that could be provided for farmers. I hope that that issue will be shortly addressed by the minister.

Another area that I'd like to see the minister make comments



on is relating to disaster assistance for the farmers who are suffering drought in the St. Paul and Rich Lake area, where many of the farmers suffered very poor barley and forage crops last year due to kind of an area drought problem. What I've received so far is that -- it does nothing for the problem of last year. It might offer some hope for this year if they have a recurring drought in that area this year, but in terms of farmers living in that area, with the disastrous prices for grain plus this drought, many of these farmers are not going to be able to put a crop in this year because they had no revenue. I would hope the Minister of Agriculture would be able to convince his caucus to provide some assistance to these farmers from last year's crop as opposed to simply saying, "Well, that's already passed, and we'll look at what we can do for you next year in northern Alberta." I believe that's not good enough, and that's not what the farmers are asking for in that area of the province.

I think another area that we have to look at is basically providing safety nets for farmers. I compliment the minister that the tripartite stabilization program was enacted by the provincial government. A question I'd like to ask the Minister of Agriculture, however, is the cow/calf sector. Right now that sector is very buoyant in terms of prices, but we know very well that we're going to be probably due for another downfall fairly quickly in the price of cattle. I look at the cattle futures and I see already a downward trend, so we're looking at a temporary blip in terms of high prices for cattle right now. I'd like to ask the minister what the participation rate is right now in the cow/calf part of the stabilization program and whether there'll be any changes made to it so that more of the farmers are encouraged to participate. Because I would warn the minister that if we have a very low participation rate and we have a dramatic drop like we've seen in hogs in the past year, we might have a lot of our cattle producers in extreme financial situations a year or two from now. And unfortunately, because the red meat stabilization plan was not good enough, many of them would not have joined and would not have that safety net to rely on. So I think that's a very important question that we have to address now, because two years from now it might be too late.

In terms of the safety net, I believe that one of the things we've got to start doing in terms of crop insurance and other safety nets is to make sure that 100 percent of our farmers are protected by these plans. Somehow the voluntary aspect of these plans is not working. I mean, we face cyclical droughts, for example, and farmers are not getting into the voluntary program. I guess that's free choice, but the trouble with free choice in this aspect here is that we find ourselves in the situation all the time when we have a collapse in the price that the safety nets, which are being introduced by the government to provide the kind of coverage they need to be able to survive the downturn -- a lot of our farmers are not in these crop insurance plans, et cetera.

I wonder how the minister would go about trying to promote the plan more fully so that we have a higher participation rate. What is being done by the government to guarantee higher participation? Because I think that's a very important issue. I find that in my constituency I keep saying, "Make sure you join the plan." They say, "Well, it's not good enough; we'd have to borrow money to get into the plan." So there's a question that maybe we need some different ways of farmers getting into the plan so that we have a higher participation rate. I wonder if the government is addressing that issue for 1988 or in the future.

In conclusion, I'd like to . . .

ANHON. MEMBER: Good.

MR. PIQUETTE: It's been a great speech, hasn't it? I heard "good," so I just want to thank you for that comment.

In conclusion, I'd like to stipulate again that as MLA in my constituency, as I go throughout the constituency in a door-to-door consultation with members of the agricultural industry and the small business sector, it really boggles my mind that such a vital industry that has built this province is not somehow being listened to in its time of need. There's a feeling of powerlessness among farmers. I go around to farmers: they feel they're competing against the weather, they're competing in terms of prices, and a lot of them are really frustrated with the kind of system they have. They tend to blame outsiders for their problems because they've got nothing else to address.

That feeling of powerlessness among farmers I also see among our senior citizens, because they tend to be institutionalized. I think our farmers suffer that same kind of feeling of frustration that they cannot control their environment. They're a small business enterprise who have no say in the determination of their price, no say in the production. They usually depend on the government to tell them what to do, and they tend to get conflicting advice.

I guess one of the frustrations I have as a representative of theirs is: how do we answer that concern, that lack of power they feel? There are four or five different farm groups that tend to speak different languages to government. One advocates that government doesn't do anything in terms of subsidization -- it should go totally free enterprise -- whereas the other group knows very well that that's not the way free enterprise works anyway in this province. They just look at the government handouts to supposed free enterprise companies that get government bailouts anytime they feel like it, like Mr. Pocklington or a megaproject type of thing.

Then we get the comments from the Member for Stony Plain, who says that agribusiness is where we should be going in order to compete. They're wondering: what's really in it for me as a small family farmer who is efficient in his operation? I mean, there's no question that the small family farm is very, very efficient, probably the most efficient unit of production there is anywhere in this world, much more than the agribusiness we're talking about or the Russian system, where they're trying to compete against the small farmer. Because there's no system by which you're going to see individuals working 18 to 20 hours a day, seven days a week when it needs to be done, in terms of picking up that crop off the field, et cetera. There's no agribusiness that will be able to pay their workers overtime in order to put that kind of production out.

So it's not an issue of not being competitive in this whole issue. It's simply a decision by politicians that have to say yes to the family farm, yes to that way of survival. Because it is an efficient method of operation, and they want to have answers from this government where they stand on the future of the family farm, and I don't think they're getting it from this government.

Thank you very much.

MR. ELZINGA: Mr. Chairman, I'm going to do my level best to wrap up very quickly and respond to a number of the questions and concerns that have been raised. I indicate my regret that we couldn't hear tonight from the hon. Member for Little Bow; I know he wanted to get into the debate. Hopefully we will have more of an opportunity to debate agricultural issues as

it relates to our estimates. If the hon. member opposite who just concluded is sincere as it relates to the discussion on this, they will designate a day, which is within their power, but we'll find out just how sincere they are. I must say I'm somewhat surprised when they refer to agricultural issues; we haven't had one question yet from the New Democratic Party as it relates to agriculture in this session. It just underscores that their commitment is not very strong.

[Mr. Musgreave in the Chair]

Mr. Chairman, I want to indicate my thanks to a number of people in wrapping up. I'd like to begin by indicating my deep and sincere thanks to a dear friend and a dear lady to the agricultural community, and that's to our associate minister, Shirley Cripps. It's just been a real delight to work with her, and I commend you, Shirley, for your deep dedication.

I also wish to indicate my deepest thanks to the hon. Member for Taber-Warner who is doing such an excellent job as our agricultural caucus chairman and to my friends within the agricultural caucus who speak with a very loud voice on behalf of their individual constituents. It's just a real treat to work with the calibre of people that do involve themselves within this Legislative Assembly, and I know no matter which party you are from, you are sincere in your dedication.

There's another group of people whom I'm deeply honoured to work with. One only has to look up in the gallery and see them all seated there. They recognize that I need help, so they're here to offer that help. Over the last two years I truly have appreciated the working relationship that we have developed with our departmental people. If you'll allow me, Mr. Chairman, to indicate my deepest thanks to our deputy minister, Mr. Ben McEwen; to our assistant deputy ministers who are with us, Doug Radke, Harold Hanna, Barry Mehr, and Bill Dent; also to Dave Yakabuski, who is the director of finance and administration; Larry Lyseng, who is the head of the budget branch. Our deepest thanks to you, gentlemen, for doing just a superb job on behalf of agriculture.

I should point out also that there is Jim Armet, who is the director of information services; and Bard Hadwell, who's with our office. I see Robin, and Brian Heidecher, individuals who are very committed to the agricultural community. So often they are forgotten, but their dedication is deep. If I can use just an example of it: yesterday we were in Ottawa, a couple of us, specifically Ben McEwen and Doug Radke. We had breakfast at 6 o'clock Edmonton time, and we arrived home here last night about midnight, and there they are up there at the late hours again. It's not an 8-to-5 job, as we can all attest to. So I share with you our deepest thanks. I'm looking to see if -- oh, Barry Mehr is still there too. He just recently married, and yet he's up in the gallery.

But I want to do my level best to respond quickly. The hon. Member for Vegreville indicated that he had some concerns with what we're doing with our budget. He didn't indicate, though, that there was an increase of some 7 percent, and our own ministerial budget we decreased by some 10 percent so that we could show some leadership as it related to attempting to direct the funds to those who need it.

We appreciate his concern and his comments as it related to our bee program. I should indicate to him that that is why we extended the bee program beyond the original time period: so that one can split the highs and take advantage of it if they did not overwinter last year.

He referred to the research facility at Lethbridge. I recognize that money doesn't mean anything to the New Democratic Party. We can save \$200,000 a year by increased efficiencies and continue with the super work they are doing and not be held to the whim of any other province. I recognize that they don't mind spending money, but we recognize also that we've got to be responsible stewards of the taxpayer's dollar.

He talked about trade, and he and I had the opportunity to debate the trade issue prior to the winter recess. As I pointed out to him then, it's easy for us politicians to participate in the debate, but I would look to the individual commodity groups, Mr. Chairman, and the individual commodity groups are supporting this trade deal because they know what's good for their various sectors.

We do have a financial problem within the agricultural community, but because this government has been so responsive, for the first time since 1980 farm bankruptcies have decreased; 1987 is the first time that farm bankruptcies have decreased since 1980, mainly due to our forthcoming nature of financial support.

They talk about the decrease in farming population. Well, the farming population in this province decreased the smallest amount of any province throughout Canada; from '81 to '86 we've had a .5 percent decrease in our farming population. I compare that to Manitoba, those devout socialists; they had a 7.2 percent decrease, and their budget is one of the smallest as it relates to support of the agricultural community.

So, Mr. Chairman, I say that just to underscore that action speaks a heck of a lot louder than words. And when we refer to action, you know that the New Democratic Party put out the alternative throne speech, 24 pages. I paged through it, and it wasn't until page 22 -- not until page 22 of 24 pages do they make any mention whatsoever of the rural community. They indicate that they have a priority, and then what they say, the one concrete thing, is that in the event we had the funds, we would examine decreasing the interest rates on our programs. But if we were to follow their advice and decrease our farm credit stability program to 6 percent from 9 percent, it would cost \$600 million over the life of the program.

AN HON. MEMBER: No way.

MR. ELZINGA: The hon. member says, "No way." Well, it's obvious; I've seen his figuring. He doesn't know what he's talking about. But that's what it would cost, Mr. Chairman. And again I just reinforce that because they don't care what things cost, because they're not worried about a tally at the end of the year. We recognize that we have a responsibility to future generations.

The hon. Member for Stony Plain, too, who did such an outstanding job in participating in the review of the ADC, whereby now we have a revitalized Alberta Agricultural Development Corporation under the leadership of our associate minister: he asked a question as to why there was such an increase in funding under the Alberta processing and marketing agreement. In reality this funding has tripled because we have seen increased activity within the processing sector, a revitalized processing sector in this province because they recognize that we're serious about supporting our farming population.

The hon. Member for Westlock-Sturgeon, who has gone home now, asked some questions about the Crow offset. They had already been answered in the speech by our associate minister, as to the worthiness of this program, whereby the benefits

have been manyfold. For the \$172 million that we've invested, we've returned some \$483 million that we have uncovered, and that's not to say that's all of them. If one looks to the ADC study, in the event that we had the method of payment altered, we would have, it is projected, the creation of an additional 15,000 jobs in this province, to the tune of some \$2 billion.

We're very active, as has been indicated, in the trade area too. He was wondering what it was going to do for us. Well, if we can have the removal of the meat import laws, that is going to offer us increased access.

The hon. Member for Wainwright again did an outstanding job in his contribution. He's the vice-chairman of our agricultural caucus -- I had the opportunity when I was first elected to travel to the Agricultural Outlook Conference in Ottawa over a year ago -- and an individual who on a consistent basis recognizes the importance of the agricultural community and speaks very loudly on behalf of his constituents, and we pay tribute to you for doing so, hon. Member for Wainwright.

I come and I close with the comments by the hon. Member for Athabasca-Lac La Biche. I hope, too, as I indicated earlier, that the New Democratic Party will designate a time in which we will have more of an opportunity to discuss agricultural concerns. I responded to a number of his concerns as they related to the farm credit stability program. He indicated, and justifiably so, that grain prices are very low, and had it not been for the active participation of our hon. Premier, the federal government would not have been so forthcoming in their deficiency payments.

As the hon. member knows, I had an opportunity to speak to the Lac La Biche Chamber of Commerce in his constituency, when they indicated in a very forthright manner, as did the mayor of that community, their support for the trade agreement, recognizing the importance that it is going to play in his own community. I think it would serve the hon. member in better stead with his own people if he spoke more forcefully on behalf of concerns that they have recognized. Just as an example of that, it was interesting to notice a note that he sent to the Minister of the Environment whereby he's suggesting that our cattle producers suffer through the blackfly situation. He's suggesting that we not use -- and I have difficulties with these big words -- methoxychlor. We would like to see it used once again. We recognize the environmental difficulties. I'm just wondering if the hon. member has indicated to his farming population that he's in opposition to the usage of that, because if he is, I wish he would be open and honest about it also.

Again, I should say, too, that we reacted because of the strong representations of the hon. Member for St. Paul and the minister of public works and the hon. Member for Redwater-Andrew and the caucus support to ensure that we extended the

forage program, and the associate minister announced that. [interjection] The hon. Member for Vegreville was a Johnny-come-lately, and he did write me a letter after we had pretty well made the decision. We appreciated his input on that.

I want to close on this one comment. I want to go back a little bit in the history of the Legislature and take everybody back. I'm not going to indicate who I'm referring to, but I'm going to quote. I want to go back to November 13, 1981, on page 1623 if you want to look up who said this. The hon. member indicated:

I am directly involved in filling out many applications of young farmers who want to apply for money from the Alberta Agricultural Development Corporation . . . It's many hours of work, many hours of frustration, many phone calls, many arms twisted.

So in other words, this hon. member was twisting arms to ensure that his farmers got those loans, and now he's attempting to blame us for those arm twistings that took place. We all have to share in the blame, and we're all willing to work that blame through. We're all going to work together to make sure that we can be responsive to the agricultural community.

I thank hon. members for their participation and for this opportunity to conclude.

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

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

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

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, if any? Carried.

MR. YOUNG: Mr. Speaker, the business of tomorrow will be the estimates of the Department of the Attorney General. Her Honour the Lieutenant Governor will attend upon the Legislature following question period for the purpose of assent to certain Bills.

[At 10:49 p. m. the House adjourned to Wednesday at 2:30 p. m.]

