

## Legislative Assembly of Alberta

Title: **Friday, May 11, 1990 10:00 a.m.**

Date: 1990/05/11

[The House met at 10 a.m.]

[Mr. Speaker in the Chair]

### Prayers

MR. SPEAKER: Let us pray.

Lord, renew us with Your strength, focus us in our deliberations, challenge us in our service of the people of this great province and country.

Amen.

### head: **Introduction of Bills** **Bill 27** **Advanced Education Statutes** **Amendment Act, 1990**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 27, the Advanced Education Statutes Amendment Act, 1990.

The purpose of this Bill is to amend the Universities Act, the Colleges Act, the Technical Institutions Act, and the Private Vocational Schools Act from the point of view of making it, on the one hand, easier to manage the system but, more importantly, to comply with matters raised by the Auditor General in his annual report.

[Leave granted; Bill 27 read a first time]

### head: **Tabling Returns and Reports**

MRS. BETKOWSKI: Mr. Speaker, I wish to table with the Assembly the response to Question 243.

### head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Drumheller, followed by the Minister of Energy.

MR. SCHUMACHER: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all members of the Assembly 24 grades 9 and 10 students from the Hussar school. They are accompanied by their teachers Robert Rudolph and Sally Phillips. I'd ask them to rise and receive the traditional warm welcome of the Assembly.

MR. ORMAN: Mr. Speaker, I'd like to introduce to the members of the Assembly someone who is sitting in the members' gallery. He is Mr. Larry Clausen. He is president of the Petroleum Resources Communication Foundation and is in Edmonton today to meet with myself and the Minister of Culture and Multiculturalism with regard to the Hell's Half Acre interpretive centre in Turner Valley. I'd like Mr. Clausen to rise and receive the welcome of the Assembly.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. In the public gallery are some Out-of-province guests with us this morning. I'd

like to introduce to you and through you to members of the Assembly John and Peggy Mika, who are here from Victoria. John is a councilman in the municipality of Saanich, and Peggy has been a very good help and dear friend of mine in Edmonton-Centre. I'd ask that they please rise and receive the warm welcome of the members of the Assembly.

Also in the gallery, Mr. Speaker, is a very bright young Canadian student who has just finished with straight As, graduated from McGill University in Montreal before she goes to study international business and law at Columbia University in New York City. She also happens to be my niece. Her name is Lisa Sherk. I'd ask that she please rise and receive the welcome of the members.

MR. SPEAKER: Taber-Warner.

MR. BOGLE: Thank you, Mr. Speaker. I am pleased today to introduce a group of students from the Erle Rivers school in Milk River. They are accompanied by teacher Tom Dirsia and by a couple of very hardworking volunteer parents Mrs. Barb Snow and Mrs. Leslie Cody. I'd ask the students, their teacher, and the parents to rise and receive the warm welcome of the Assembly.

### head: **Oral Question Period**

MR. SPEAKER: Forgive me, hon. Leader of the Opposition, for just a moment. Just a few brief comments. Yesterday was the slowest question period we've had in some time, and we had the fewest number of questions and answers given. Perhaps all members on both sides will make the questions and the answers shorter. Please and thank you.

The Leader of the Opposition.

### **Corrections Employees' Strike**

MR. MARTIN: Thank you, Mr. Speaker. I'd like to direct my questions to the Solicitor General. Comments made yesterday both inside and outside of this Assembly by the Solicitor General show, to me at least, that he has no control over his own negotiators in the dispute with corrections officers in AUPE local 3. Yesterday he said, and I quote, "The pensions have not been bargained." In fact, the pensions were bargained. If you want to use the term loosely, the Solicitor General's negotiators made an official so-called final offer on May 8 that states, and I quote, "A joint committee to be formed to review subsidiary 003 concerns with respect to the pension plan." Since the Solicitor General was wrong when he stood here yesterday and said that pensions weren't bargained, is he aware now of what actually occurred in bargaining sessions in local 3, or do I have to give him an update?

MR. FOWLER: I would appreciate an update, Mr. Speaker. Thank you.

MR. MARTIN: Well, Mr. Speaker, we're always glad to oblige. We're always glad to do the government's work for them. Somebody has to.

Mr. Speaker, also yesterday this minister said that union negotiators walked away after just two hours of negotiations. In fact, those negotiators were at the table on February 26, March 14, April 10, April 11, April 12, as well as May 8. Yesterday the government negotiators handed them a single handwritten page

two hours after they got there that supposedly addressed their major concerns about pensions with a committee to review the problem. Another committee, Mr. Speaker. I want to ask: doesn't the minister understand that handing the union this garbage about a study forced them away from the table and off the job?

MR. FOWLER: Mr. Speaker, pensions are an extremely complex matter, and it's not surprising to me at all that they would be reviewed by a committee, if, in fact, that is what is being proposed. If it is to be done at all, it seems to me a committee would be involved. Pensions involve actuaries; it's a very, very complex issue. As I indicated, a committee would almost have to be involved if that in fact was the case.

In respect to the two hours and the walkaway, Mr. Speaker, I was referring to the last day of the negotiations that took place. I wasn't referring to the negotiations that started taking place some time ago, as indicated by the hon. Leader of the Opposition.

MR. MARTIN: The point is, to the minister, that this is not serious negotiating when you walk in and hand this page out and say that you'll set up a committee for pensions. It's part of the same problem we have with the caseloads: the union feels frustrated because they can't negotiate these things. My question is this: will the minister get his act together and say to his bargainers that they will now go back to the union with a serious proposal on pensions? If they do that, they'll be back on the job.

MR. FOWLER: Mr. Speaker, I'm not in a position to say what I would do if I was in the position of giving instructions to bargainers. The bargainers, as the hon. Leader of the Opposition knows, come under the PAO, which is a matter directed by the Minister of Labour.

MR. SPEAKER: Second main question, the Leader of the Opposition.

MR. MARTIN: That's scary, Mr. Speaker.

### **Social Workers' Strike**

MR. MARTIN: My question will go, then, to the Minister of Labour, as this minister well knows, I believe, that in both these disputes these bad, regressive, 19th century labour laws have forced social workers and correctional officers into a so-called illegal strike. Mr. Speaker, the main issue in the social workers' strike, as she well knows, is the impossible caseloads. So far this government has hidden behind their unfair laws and the courts and refused to negotiate seriously. Now, the minister knows full well that under section 39 of the Public Service Employee Relations Act it is incumbent on the government to make every reasonable effort to enter into a collective agreement. The union has made it clear that they will be at the table at 10 o'clock this morning for bargaining purposes. This would go a long way to settling this dispute. My question: has the minister sent the government's bargaining representatives to this meeting for serious negotiations?

MS McCOY: Mr. Speaker, talk about hiding behind the law. The Leader of the Opposition seems to be indicating that it is the law that is preventing the union's negotiators from coming

to an agreement. Why then have we got a master agreement after three months of hard bargaining? In that case, the union's negotiating team, a different negotiating team, came to an agreement, and they came to an agreement last Saturday. Now, that indicates to me that a collective bargaining process, when there is goodwill to settle on both sides, which there was in that case, will work. It has to do with the motivation behind the people who are at the table. I'm saying that the social workers walked away from the table refusing to bargain, refused mediation. The Solicitor General's prison guards, the same thing: they also walked away. We have said consistently that we want to negotiate these things, and we will be at the table provided they're at work.

MR. MARTIN: This is the point: more conditions; silly, ridiculous laws. Now you're going to hide behind them.

The minister seriously avoided my question. They're sitting there ready to bargain. Has the minister sent representatives there? If not, why not?

MS McCOY: It's really a wonderful thing to see, Mr. Speaker, that when we have been saying day after day after day, "As soon as you're back at work, we'll be at the table waiting for you," which is where we've been for a long time, suddenly they say, "We're willing to negotiate." I'm pleased to see that the bargaining team for the social workers is finally willing to negotiate. It's about time they're willing to negotiate. They say they can come to an agreement quickly. My question is: if they can come to an agreement that quickly, why did they put all those people at risk for more than a week? All of the severely handicapped, all the people who depend on welfare and have nowhere else to go for help, all of the abused children, all of the children in our custody: why haven't they been looking after them? Are they only interested in themselves?

MR. MARTIN: The minister knows full well that's a cheap shot to what they used to call valued employees, Mr. Speaker. They're the ones that are concerned, not this government. The minister keeps avoiding the question. She says she wants this dispute to end, and I've asked her. Her stubbornness on this issue – I take it that they probably haven't. Is it not true that you're deliberately provoking the strike and you want it to continue? Otherwise, you'd be at the bargaining table.

MS McCOY: The Leader of the Official Opposition, the leader of the New Democratic Party, has now said that it was not the social workers who walked out illegally at all. Now, that logic fully escapes me. We've been saying from the first day, "Let's come to an agreement." The issues here are very simple. They are pay and they are caseload. We had an offer on the table; they put a counteroffer on the table, and then they walked away. They walked away from the table, and they withdrew their services from some of the vulnerable people in the province. Now, I ask you, Mr. Speaker, where is the Leader of the Opposition on this?

MR. DECORE: Mr. Speaker, if you walk out of the Legislature Building and talk to the social workers who are there almost every day, and I suspect will be there again today, you will find from your discussions with those social workers that they're unhappy with the management of the department of social services. They say that there are too many managers and that issues aren't being dealt with properly. Now, it would seem that

with this many managers now managing the front lines in a strike, contingency plans and emergency plans would be properly dealt with, but they have not been dealt with. My questions are to the minister responsible for social services. As at today, as at this moment, Mr. Minister, no contingency plans have been worked out with the department of social services of the city of Edmonton, and no discussions have taken place with respect to assistance from social services in Edmonton. I'd like to know why those discussions have not taken place to ensure that emergencies are properly dealt with in the city of Edmonton and in . . .

MR. SPEAKER: Thank you. [interjection] Thank you.

MR. OLDRING: Again, Mr. Speaker, I've said it before, and I'll repeat it for the leader of the Liberal Party: we are responding as effectively and as best we can. Yes, we have had discussions with other jurisdictions that have been very helpful in assisting us, and we'll continue to have those discussions. I can say again for the most part what yeoman services our managers and those dedicated, committed social workers that are crossing the picket lines are providing. They are not prepared to jeopardize these services, and for the most part they've done extremely well.

But again, Mr. Speaker, I wouldn't want to leave this Assembly or the public with the impression that services haven't suffered and that services aren't in jeopardy, because they are. Without question, we're able to deal with the emergency situations for the most part. But again I would want the leader to know that as it relates to child welfare, some of those situations are already backing up in the courts and that, yes, we're having trouble responding the way we should. That, Mr. Speaker, is why we have the legislation we have.

MR. DECORE: Well, Mr. Speaker, it's simply not the case. Emergency plans have not been worked out by your department and the social services of the two major cities.

My next question to the minister is this. In the past there was a 24-hour hot line to deal with matters of child abuse. It seemed like it was necessary then, and it seems like it would be more necessary now. I'd like to know why, Mr. Minister, that hot line isn't being manned and looked after now on a 24-hour basis.

MR. OLDRING: Well, Mr. Speaker, it's interesting. These were some of the concerns that we raised at the outset of this strike when that leader was saying: "Good for you. We support you strikers." I know that he's reversed his position, and I'm glad of it, because it is important for us to be showing some leadership in this Assembly.

As it relates to the hot line, again that's an example of the kinds of co-operation we've received from communities. What we've done in that instance, Mr. Speaker, is – it used to be that the hot line calls were channeled directly to child care workers. There's a strike on. We don't have enough child care workers to be able to respond to all those calls, so the police have stepped in and have agreed to assist us in this instance. Those calls are being channeled now into the police departments so that they're able to respond directly.

MR. DECORE: Mr. Speaker, let's get this straight: there has been no reversal. Bad law is bad law, and I can't agree with the minister's position . . .

MR. SPEAKER: This is question period, hon. member. Don't make a speech.

MR. DECORE: . . . with respect to that bad law. But when a judge makes an order, that order has to be followed.

MR. SPEAKER: Order please. [interjection] Edmonton-Glengarry. All right. [interjection] Order please. Especially on the last supplementary there is no time for a response. Get to the question.

MR. DECORE: Mr. Speaker, social workers do not believe the minister will solve the issue of overload. This has been studied to death.

MR. SPEAKER: Hon. member. [interjection] Hon. member. Ask the question, please.

MR. DECORE: Given that nobody believes you, Mr. Minister, what date will you set to comfort these social workers by saying that by such and such a date the issue, if they come back . . .

MR. SPEAKER: Thank you. We've had the question. Thank you. [interjection] Order please. We've had the question.

MR. OLDRING: Mr. Speaker, let me first of all say I apologize if I misunderstood the Liberal leader's position on this strike.

MR. DECORE: Just give us the date and answer the question.

MR. OLDRING: It's always hard to understand what the Liberal position is on anything because they change so often.

MR. DECORE: Just give us a date. Show some leadership.

MR. OLDRING: As it relates, Mr. Speaker, to . . .

MR. DECORE: Show some intelligence.

MR. OLDRING: Mr. Speaker . . .

MR. SPEAKER: Thank you. Just a moment.

Hon. Member for Edmonton-Glengarry, you asked the question – finally. Please stop asking it again while the minister is trying to give the answer.

MR. DECORE: I'm asking him to answer it.

MR. SPEAKER: Thank you very much, hon. member.

MR. TAYLOR: Mr. Speaker, you're speaking more than he is.

MR. SPEAKER: Thank you very much, Westlock-Sturgeon.

MR. TAYLOR: But you're talking more than he is.

MR. SPEAKER: That's right. The Chair is talking more than the others because you're not learning the way this question period is going to be run.

MR. WICKMAN: That's why question period . . .

MR. SPEAKER: No.

The Minister, briefly, with an answer.

MR. OLDRING: Mr. Speaker, as it relates to trust between social workers and this minister and this government, again I can only say to the Leader of the Liberal Party that over half of the social workers do have faith in this system, over half of the social workers have returned to their jobsites, over half of the social workers maintain their commitment and dedication to children and seniors and handicapped and those in need. I can only again assure the member that this minister and this government are committed to resolving those outstanding issues and those concerns, that we're prepared to sit down with social workers and come to some satisfactory agreements as it relates to those issues, but only when social workers return to the jobsites and come back to the negotiating table in a meaningful and sincere way.

MR. SPEAKER: Thank you.

Banff-Cochrane, followed by Edmonton-Kingsway.

### **Cochrane Rancho Society**

MR. EVANS: Recently a serious misunderstanding between the department of culture and the Friends of the Cochrane Rancho in Cochrane has arisen regarding the terms of reference of the friends. This misunderstanding came to light after the department signed a lease with the Western Heritage Centre which identified an approved site for the proposed Western Heritage Centre on the Cochrane Rancho. This site is not supported by a number of the friends who were recently elected to the organization's board. As the minister has indicated on a number of occasions in this House, friends organizations provincewide are extremely important to the operation of historic sites in our province. Thus my question to the Minister of Culture and Multiculturalism is: what is the minister doing to resolve this misunderstanding so that the Friends of the Cochrane Rancho can continue to provide the very valuable service, both to the ranch and to the department?

MR. MAIN: Mr. Speaker, I've had considerable correspondence with the current president of the Friends of the Cochrane Rancho Society, Mr. John Gray, and have discussed in correspondence with him both his expectations and the department's expectations about the role of the Friends of the Cochrane Rancho. It's clear that this organization in its history – as all the other more than a dozen friends organizations in the province – is established to handle donations at the site, to be involved in supporting government programs and department programs and facility programs on the site, and to provide a sense of "ownership" of the facility for the various communities. My correspondence with Mr. Gray indicates that he agrees with that perception, and the Friends of the Cochrane Rancho Society are continuing, as they have in the past, to perform those duties and functions at the Cochrane Rancho.

MR. SPEAKER: Supplementary.

MR. EVANS: Thank you, Mr. Speaker. I'm very happy to hear the minister's comments. In light of those comments, can you advise us, Mr. Minister, when we can expect to have a master operating agreement as well as an interpretative services contract for the Cochrane Rancho?

MR. MAIN: Mr. Speaker, I wrote to the Friends of the Cochrane Rancho just a few days ago and indicated to them that the two contracts and agreements to which the member refers are in the mail, signed, sealed, and about to be delivered.

MR. SPEAKER: Edmonton-Kingsway.

### **Cormie Ranch Sale**

MR. McEACHERN: Thank you, Mr. Speaker. I intended to ask my questions of he who doesn't know, but I guess I'll have to settle for he who might know but may or may not wish to share with us, the Minister of Economic Development and Trade. Yesterday the government Order in Council 254 opened the way for Createm International Alberta Corporation to buy the Cormie ranch. On May 1 in question period the Treasurer promised Albertans, and I quote from *Hansard*:

I can assure Albertans and the contract holders, Mr. Speaker, that there will be no sale of that property which puts one nickel in the hands of the Cormie family.

Now, given that the Provincial Treasurer is now backtracking on this irresponsible statement, will the minister tell us what the real situation is? Will the Cormies get any money out of this sale or not?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware, we have certain legal procedures that one must follow as it relates to the legality of the situation. We are going to make sure that the taxpayers plus those individuals who had in the past invested are well protected, as the Provincial Treasurer had indicated. The one item I missed when the hon. member put his question and his statement: whether he is supportive of this economic development or not.

MR. McEACHERN: That might be because I didn't say.

Mr. Speaker, the order in council, which I would like to read into the record, was passed at a cabinet meeting on May 9 and approved on May 10. It's number 254 of 1990, under the name of the hon. Mr. Fjordbotten:

Foreign Ownership of Land Regulations

Orders that the transaction under which the Createm International Alberta Corporation acquired an interest in certain land . . .

MR. SPEAKER: Order please, hon. member. Perhaps you'd be good enough to give it in summary, ask the question, and file it. Let's go.

MR. McEACHERN: It is very short, Mr. Speaker. [interjections] Well, all right. The key part of it is that it says this sale is subject to certain conditions. My question to the minister is: given this government's bungling oh this affair right from the beginning and given that their position seems to change from day to day and from minister to minister, will the minister be honest with Albertans and tell us just what are these conditions?

MR. ELZINGA: Mr. Speaker, I'm happy – and I recognize that the time of the House is short, so I'll not go into it in any great detail. But our position has been consistent, and I'm not sure what the hon. member is referring to, because his statement prior to putting the question is very misleading and is not factual. We wanted to make sure not only that the taxpayers were protected but that we had in place the proper environmental protection as it related to this development. We wanted to make sure that certain tourism aspects, recognizing the impor-

tance that it does play to the diversification of this province, are well protected. We wanted to make sure prior to agreeing to this that we had all the t's crossed and the i's dotted to make sure that this very important project for the development of northern Alberta went ahead on the basis that we deemed best advisable.

MR. SPEAKER: Vegreville, followed by Edmonton-Gold Bar.

### **Agricultural Assistance**

MR. FOX: Thank you, Mr. Speaker. My colleagues and I in the Official Opposition have been urging this government to pay attention to the income deficiencies projected for Alberta farmers. When raising these concerns, the Minister of Agriculture kept saying that farmers are enthusiastic about spring and everything's coming up roses. But now the federal government's put money on the table, and when questioned in the Legislature on Wednesday about the \$80 million to \$100 million of assistance that the federal government's willing to make available to Alberta farmers, the Premier said that his government won't contribute matching dollars to help because it's the federal government's job to fight export subsidies in the U.S. and the European Common Market.

Now, even though it's expressly prohibited by clauses in the Conservative free trade agreement, the Americans have used, are using, and will continue to use their export enhancement program to steal customers away from our grain farmers, proving every day that they don't consider that deal to be worth the paper it's written on. My question to the Associate Minister of Agriculture: when will this government admit some responsibility for the low incomes of grain farmers in the province of Alberta, recognizing that their free trade deal has failed to protect our farmers from unfair U.S. subsidies?

MRS. McCLELLAN: Well, Mr. Speaker, first of all, I wouldn't want to pass comment on the statement of what the Premier is alluded to have said, because I didn't hear the statement the same way the hon. member did. What the Premier did say and what the minister and I have repeatedly said inside and outside of this Legislature is that agriculture is our number one economic priority and that we do support our agricultural industry in a very real way. What we're saying in the discussion of the federal assistance program is that we stepped in in 1986 and on with programs to address what we saw as a deficiency and a problem created by European/U.S. trade wars that have been ongoing and a high interest rate policy. We did that through our farm credit security program. We addressed the input cost problems with farm fuel distribution allowance, farm fertilizer – I could list a number of programs – and no, I will not admit that the free trade agreement is bad for our farmers. I think the proof is absolutely the opposite. The free trade agreement does not guarantee that there will not be trade disputes between the two countries. However, it puts in a mechanism to deal with those trade disputes that is much improved over what we've had.

MR. FOX: Well, that's nonsense, Mr. Speaker. Given the fact that millions of dollars have been taken from the pockets of grain farmers through the loss of the two-price system for wheat, through the loss of interest-free cash advances, through the loss of oats through the Canadian Wheat Board, and through lower than reasonable initial prices in the last two years, all a direct result of the free trade agreement, I'd like to ask this minister

when the government's going to admit some responsibility because of the policies they've initiated and committed us to and then make a commitment to farmers to pony up some cash to provide the much-needed assistance from both levels of government.

MRS. McCLELLAN: Well, again, Mr. Speaker, the hon. member is not living in the real agricultural world today. What we are saying in the discussion with the federal government is that we are ponying up and we have and will continue to support our agricultural producers. We are prepared to be a part of this program on the basis of the initiatives we've had for the past three or four years. We in Alberta Agriculture and this government did not wait for our agricultural system to be in a crisis position before we acted. We acted four years ago, hon. member.

MR. SPEAKER: Edmonton-Gold Bar.

### **Mental Health Act**

MRS. HEWES: Thank you, Mr. Speaker. The Mental Health Act was proclaimed in January. Now, as predicted by a number of us, the mental health advocate, another public servant, is expressing his frustration over the Act. The advocate states that the Act created the post, but it limits his power to improve care. Dr. Mervyn Hislop said the Act prevents him from investigating an allegation of abuse unless he gets a complaint, and then he has jurisdiction only over involuntary patients. I'd like to ask the Minister of Health: does the minister agree that the advocate is seriously constrained by the limitations of this Act?

MRS. BETKOWSKI: Mr. Speaker, the office of the mental health advocate was created by the Mental Health Act which was proclaimed in this Legislature, and the investigation of complaints by involuntary patients is really believed to be the highest priority in terms of the role for the mental health advocate. I would remind hon. members that we are the first province in Canada that has such an advocacy role for the mental health involuntary patient, the first province in Canada to have that in statute as opposed to regulation. My view is that once we've had some experience with the effectiveness of the process we've put in place with the role of the advocate, we will have to assess as a Legislature and as a government whether or not that role should be expanded.

MR. SPEAKER: Supplementary.

MRS. HEWES: Thank you, Mr. Speaker. I wonder if the minister would comment to the House how the minister feels about the advocate now admitting that he has to engineer complaints in order to deal with important issues. I think it's time for amendments now.

MRS. BETKOWSKI: Mr. Speaker, I don't share the view of the hon. member. I think we need to look at both sides of the issue, and the two sides are that we need to protect the rights and the interests of Albertans who are in care and respect the professional integrity of Albertans who provide care. There is a balance here. I believe we've struck a certain balance with the existing legislation, but we're going to keep a very close eye on

it to see whether as a government we would recommend to the Legislature that the mandate be expanded. But I think we need to give it the time to work, and I believe it's working effectively within the balance I described.

MR. SPEAKER: The Member for Clover Bar.

### Municipal Housing Grants

MR. GESELL: Thank you, Mr. Speaker. To the Minister of Municipal Affairs. The recent discovery of an \$89 million reserve may not have been a surprise to the Edmonton municipal officials, but it certainly was a surprise to our taxpayers. The money was originally advanced under one of the municipal housing programs. Can the minister explain how such program funds were to have been used?

MR. R. SPEAKER: Mr. Speaker, I've had the opportunity of reviewing that matter, after noting it in the media. Under the Alberta municipal housing incentive program, grants were made available between 1980 and '84 to the various municipalities to assist them in bringing on stream affordable housing and land development. The government of the day found that in 1984 there wasn't a demand there, so this money remained in the reserve fund of municipalities, and in this case it happens to be Edmonton. That money can be held in the reserve fund and used for other purposes if they set other priorities, but at the current time I would suggest that the city of Edmonton should relook at the need in terms of housing and land development here in the city.

MR. SPEAKER: Supplementary, followed by Edmonton-Jasper Place.

MR. GESELL: Thank you, Mr. Speaker. There appears to be, and I believe there is, a lack of public disclosure of municipal operating and capital reserves either committed or uncommitted. Would the minister review . . .

AN HON. MEMBER: No preamble. Question.

MR. GESELL: The hon. member should talk.

MR. SPEAKER: Clover Bar, through the Chair, please. Ignore the other.

MR. GESELL: Excuse me, Mr. Speaker.

Would the minister review the requirements of the annual financial statements municipalities file with his department so that those statements require a disclosure of all reserve accounts?

MR. R. SPEAKER: Mr. Speaker, at the present time the municipalities do disclose those accounts, and they are available for public scrutiny. In the general financial statement of the municipalities there is a column called total reserves, but they do not always break it down. We as a department do require a breakdown of those reserves, and they do report to us. We look at them each year to make sure that the funds are there to back up the reserve column and also that there is a designation for future use. So they are well scrutinized, hon. member.

### Highwood River

MR. McINNIS: Mr. Speaker, the Department of the Environment publishes Water Resource Management Principles for Alberta, a glossy brochure that has among other things:

The waters in each major basin must be fully and efficiently utilized before interbasin augmentation could be considered.

It also says:

Fish resources in Provincial waters are protected as one of the recognized in-stream uses of water.

Well, Mr. Speaker, the Department of the Environment authorizes massive transfers of water out of the lower reaches of the Highwood River, which is a critical trout hatchery or trout habitat, something the minister will know about. Since 1984 the minimum guarantee flow has been set at 70 cubic feet per second, which has resulted in massive fish kills year after year after year. My question to the minister is: when is this minister going to increase the minimum flows on the Highwood River to live up to the fine words in the glossy pamphlet and . . .

MR. SPEAKER: Thank you very much. We've heard the question.

MR. KLEIN: Well, as usual, Mr. Speaker, the hon. member for Edmonton-Jasper Place has his facts wrong. He's totally out of date on this particular issue. As a matter of fact, the diversion and the expansion of the diversion from the Highwood to the Little Bow has been an ongoing matter of discussion. I've been meeting on an ongoing basis with parties from both sides of this dispute, and very basically, before any diversion is approved, we will establish first of all the inflow requirements for the Highwood River and do that on a consensus basis. After that has been established, we will prepare an environmental impact assessment and there will be full public hearings through the natural resources conservation board in this particular matter, which should resolve everything to the satisfaction of the parties involved and, hopefully, the satisfaction of the hon. member.

MR. McINNIS: You said you were going to reform the Tories. They've deformed you.

The minister knows full well that at a meeting on Wednesday there were documents handed out from his department stating that the 70 cubic feet figure applies again this year – more fish kill. The minister knows full well that water is needed to prevent the deaths of trout in the Highwood River this year. My question is quite simple. Since the government went to the trouble of preparing an in-stream flow need study, which said very clearly 283 feet per second is the minimum necessary to prevent fish dying – only 20 percent die at that level; below it's a much larger level – why has the minister failed to respond to increase the levels this year?

MR. KLEIN: Mr. Speaker, this member has remarkable perception abilities. He wasn't at the meeting – if he was, I didn't see him – but he purports to know everything that went on at that meeting. Well, he doesn't know everything that went on at that meeting, so I'll tell him what went on. We said that we would use the 1989 guidelines and if the river became stressed we would stop the diversion. We are going to install new, sophisticated monitoring equipment, equipment that will provide information on a minute-to-minute basis. When that river becomes stressed, then the diversion will be stopped. It's as simple as that, so simple that even the hon. member should be able to understand it.

MR. SPEAKER: Calgary-North West, followed by Calgary-Glenmore.

### **Cochrane Ranche Report**

MR. BRUSEKER: Thank you, Mr. Speaker. In the spring of 1987 there was an agreement reached between the Faculty of Environmental Design at the University of Calgary and the department of culture. Culture agreed that the faculty students would proceed with a report regarding the development of the Cochrane Ranche area. Everything was proceeding well until department officials realized that the final report that was being prepared would not support the development of the Western Heritage Centre as currently proposed. Upon this realization, representatives from the department of culture attempted to censor the report, and when that failed, they refused to pay for the report. To the Minister of Culture and Multiculturalism. Is the minister aware that members within his department attempted to censor the report and change the recommendations which were against the development of the Western Heritage Centre?

MR. MAIN: No, Mr. Speaker.

MR. BRUSEKER: That doesn't surprise me. Now that he's aware of it, because I just made him aware of it, will the minister agree to make good on the commitment from his department and pay for the report as they initially had proposed to do?

MR. MAIN: Well, Mr. Speaker, I'm not aware of the details. I'm aware that a report was done by students at the University of Calgary, but the circumstances under which that report was done and the agreements pertaining to it I'm not aware of. I'll certainly investigate it, and we'll make sure it's all tidied up so the hon. member can be satisfied.

MR. SPEAKER: Calgary-Glenmore, followed by Stony Plain, then Edmonton-Meadowlark.

### **Palliative Care**

MRS. MIROSH: Thank you, Mr. Speaker. It's been brought to my attention by constituents of mine who have relatives in the Sunset Lodge currently operated by the Salvation Army — they've expressed concern that the Salvation Army Grace hospital in Calgary is proposing to set up a freestanding hospice unit specifically for caring for persons with AIDS disease. The residents of the Sunset Lodge are very concerned about the proposal for this and are concerned that the Department of Health will be funding this unit. I would like to ask the Minister of Health to clarify the department's involvement and response to this proposal.

MRS. BETKOWSKI: Mr. Speaker, there is currently a proposal from the Salvation Army Grace hospital in Calgary to set up a freestanding hospice, and it's similar to a previous proposal for funding, which was not supported. Recently, in fact last year, we released the guidelines with respect to palliative care for patients and believe it should be accommodated within the existing health system. I haven't responded to the proposal by the Salvation Army Grace regarding their second proposal, and I don't think I should do so in this Assembly because it's not the

proper forum. I do understand, because I've had some letters from residents of the Sunset Lodge who are concerned, that the proposed location in the proposal is theirs. But I think that's a question that should be addressed to the board of the Grace hospital, because in the proposal to the Department of Health the hospital has not identified the site they are considering for the freestanding hospice.

MRS. MIROSH: Mr. Speaker, if the Salvation Army board does decide to go ahead, would the Department of Health then fund home care to provide palliative care in the Sunset Lodge?

MRS. BETKOWSKI: Mr. Speaker, while the question is somewhat hypothetical, I think I can respond to what is the policy with respect to palliative care. Priority has been and will continue to be that we strengthen palliative home care as opposed to the freestanding concept of it. But I would have to wait to respond officially to the hospital when that occurs.

MR. SPEAKER: Stony Plain.

### **Criminal Records Retention**

MR. WOLOSHYN: Thank you, Mr. Speaker. As the Solicitor General is well aware, I've brought to his attention the case of a constituent of mine who is concerned about the retention of the records of people who have been acquitted. In his letter of March 28 the minister stated that "these records are never destroyed." Will the Solicitor General please explain what the policy of his department is with respect to the retention of records of citizens who have never been convicted of anything?

MR. FOWLER: Mr. Speaker, the matter of records pertaining to criminal matters in the courts and the RCMP are by and large almost exclusively within the scope of the federal government and their maintenance of records by the law enforcement agencies in the federal government.

MR. WOLOSHYN: Mr. Speaker, our research has revealed that the federal authorities, the RCMP, the city police all have a policy in some form of destroying or returning the records of people who have been acquitted and have no prior criminal record. One of my staff has been verbally informed by the director of the Remand Centre that my constituent's record has now been destroyed. However, it has not been confirmed in writing. My question is: given that the Solicitor General stated in his letter that these records are never destroyed, could he explain exactly which agency it is that this policy applies to?

MR. FOWLER: Well, I repeat, Mr. Speaker, that wherever federal records are kept — and all criminal matters are a matter of the federal government under the Criminal Code of Canada — we have no jurisdiction at all about what occurs with records at the federal level, and insofar as those records that we maintain, we believe they are maintained on an ongoing basis for information in the future. I want to add that if and when these records are in fact maintained, they cannot ever be of any detrimental effect to anybody that has in fact been found not guilty.

MR. SPEAKER: Edmonton-Meadowlark.

**Global Warming**

MR. MITCHELL: Thank you, Mr. Speaker. In response to the seriousness of the global warming effect, eight standing committees of Parliament structured an unprecedented and extensive two-day forum on global warming and climate change for all members of Parliament, all Senators, and all their respective staff members. In Alberta, on the other hand, the Minister of Energy downplays the significance, economic and environmental, of climate change by misinterpreting the George Marshall Institute study, and the Premier's own deputy minister insinuates very, very cynically that those who are concerned with potential global warming are doing little more than overreacting. To the Minister of the Environment: would the minister say that this unprecedented initiative in Ottawa is overreacting, or would he commit here, today, to structuring a similar forum for all members of this Legislative Assembly, their staffs, and senior officials in government in Alberta?

MR. KLEIN: Well, indeed, Mr. Speaker, my colleague the hon. Minister of Energy and I are structuring a format to do a full assessment of this whole issue of global warming. It's called a clean air strategy for the province of Alberta. We'll be looking at carbon dioxide. We'll be looking at sulphur dioxide. We'll be looking at volatile organic compounds. We will be looking at those ground level ozone gases that are questionable at this particular time. What we plan to do is have a full exercise to involve the industry, to involve the public, to have good discussions on this matter, a full public consultation on this matter, and arrive at some reasonable, well-thought-out solutions. That's the way to go, Mr. Speaker.

MR. MITCHELL: Standard answer. Give us some indication you're going to do something and we wait and wait and wait and it is absolutely never done.

Mr. Speaker, will the Minister of the Environment admit that there is an inherent conflict of interest in having the Minister of Energy on one hand responsible for promoting energy sales and energy development and on the other hand having the responsibility for conservation in that department as well, and would the Minister of the Environment please indicate that it would be better if conservation were a responsibility within the mandate of his department?

MR. KLEIN: Mr. Speaker, it would be totally irresponsible not to have the Minister of Energy involved in this exercise, because so much of it relates to the energy industry. As a matter of fact, my hon. colleague met with the Environmental Network earlier this week to outline the clean air strategy for Alberta. According to my discussions with the hon. minister, they were in full agreement with the approach this government is taking relative to the development of a clean air strategy for this province.

MR. SPEAKER: Question period has come to an end. The Chair apologizes for having to intervene on a number of occasions. However, the Chair also thanks all hon. members, because we've indeed been able to get many more questions and answers in today.

**head: Orders of the Day**

MR. SPEAKER: Might we have unanimous consent to revert briefly to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

**head: Introduction of Special Guests**  
*(reversion)*

MR. ELZINGA: Mr. Speaker, it's my pleasure, sir, to introduce to you and to Members of the Legislative Assembly a couple of groups of school students that have joined us this morning. I would like them to stand and rise in a moment, after I introduce them: firstly, from the Madonna school, and they're joined by their teacher Mr. Rudanec; and also from the Jean Vanier school, and they are joined by their teacher Mr. Jim Ziebart. I would ask if they would rise – they are in the gallery – and receive the traditional warm welcome of the Legislative Assembly. I look forward to meeting with them later.

MR. SPEAKER: Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the rest of the Assembly 52 grade 6 students from the Lamont elementary school. I'd like to congratulate them for making this an annual event. They're accompanied by teachers Miss Lisa Knapik and Mr. Clarence Kitura and bus driver Mr. John Danyluk. They're seated in the members' gallery, and I ask that they rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Edmonton-Calder, followed by Edmonton-Centre, then the Minister of Career Development and Employment.

MS MJOLSNES: Thank you, Mr. Speaker. I'm delighted this morning to be able to introduce to you and to members of the Assembly nine students from the Wellington junior high school, which is located in the constituency of Edmonton-Calder. They are accompanied by their teachers Ms Gateman and Mr. Marcotte, and I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. In the public gallery are 30 students involved in continuing education programs, something education needs to be for all of us: a continuing, lifelong process. They're here with their teacher Jackie Janis. I'd ask that they please rise and be welcomed by the members of the Assembly here this morning.

MR. WEISS: Mr. Speaker, as acting minister for the Minister of Public Works, Supply and Services, the hon. Member for Barrhead, who regrettably is not in the House today due to a constituency commitment, it is my pleasure to introduce to you and through you to members of the Assembly eight students from Meadowview school. They are accompanied by their teacher Wesley Oginski and, as well, Charles Grabler. If the hon. Member for Barrhead were here, I'm sure he'd allude to the fact that Barrhead is his home constituency and that's where he's from. He'd extend an invitation for all to come, and I'm sure he would ask the students to rise and receive the cordial welcome of the Assembly.



MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce 28 students from the Dovercourt elementary school in my riding. They are in the public gallery, and they are accompanied by Bob Niven, Jack McBride, and Barb Haynes. I would request that they rise and receive the warm welcome of the Assembly.

#### head: **Government Motions**

15. Moved by Mr. Stewart on behalf of Mr. Horsman:  
Be it resolved that when the Legislative Assembly adjourns on Friday, May 18, 1990, at the regular hour of 1 p.m., it shall stand adjourned to Wednesday, May 23, 1990, at 2:30 p.m.

[Motion carried]

#### head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Would members of the committee please come to order.

#### **Alberta Heritage Savings Trust Fund Estimates 1990-91**

MR. CHAIRMAN: Today we are dealing with the estimates of the Alberta Heritage Savings Trust Fund's capital projects division. The first vote to be considered is that of Agriculture, which commences at page 10 of the book.

MS BARRETT: Point of order, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Edmonton-Highlands on a point of order.

MS BARRETT: Mr. Chairman, as the first page that deals with the estimates, page 5, deals with all departments that are to be given funding from the trust fund for capital projects, I wonder if we can't start with general discussion about the collective approach and then go into the department-by-department approach.

MR. CHAIRMAN: The hon. member is renewing a point of order that has been made pretty well annually.

The hon. Member for Vegreville on the point of order.

MR. FOX: Thank you, Mr. Chairman. You've appropriately noted our efforts in the past to open up discussion in the Legislature, however briefly, on the entirety of the Alberta Heritage Savings Trust Fund, something that a committee of the Legislature gets to discuss but all members of the committee seem to be restricted in so doing. I believe our representations in the past have had a positive impact on the government, because if you compare this year's estimates book to last year's estimates book, you'll see that we don't go right into vote 1, Advanced Education. There is a description of the ministers whose departments deal with the Alberta Heritage Savings Trust Fund capital projects division, with a comparative summary of proposed investments and a global total vote. It would be

followed by similar information, with a breakdown in terms of objects of expenditure, in its entirety. I think that's an indication from the government to us that they're prepared to engage, at least briefly, in a discussion about the overall impact and direction of the capital projects division of the Alberta Heritage Savings Trust Fund.

MR. STEWART: Mr. Chairman, I think that the rules of the committee with respect to this matter and the way it has operated have proven successful in the past from a standpoint of consideration of the estimates. Also, if indeed the hon. House leader wishes to bring forward any other suggestion from the standpoint of the rules that may operate in this committee, then I think it is appropriate to discuss those with the other House leaders and see whether or not any improvement can be made at that time. But in the meantime, I think you have ruled in the past on this matter, it's been before you before, and we would suggest the matter continue on that basis until changed in that way.

MR. MITCHELL: I would like to support the initiative by the Member for Edmonton-Highlands. I agree wholeheartedly that there needs to be a place in the proceedings of this Legislature for discussing the expenditures of the Heritage Savings Trust Fund in general, in principle. What we do not have is an opportunity to do that ever before this Legislature, so of course it's in the government's interest to limit the scope of debate to very, very specific initiatives, those initiatives that are outlined in the Alberta Heritage Savings Trust Fund capital projects division. But always at stake as well is the much more general thrust and direction of the Heritage Savings Trust Fund. There are many of us who are extremely concerned that after the number of years that the heritage trust fund has been in operation, it is more than appropriate that we should be reassessing each of its objectives, each of its basic premises, to see whether this fund is now structured and operating in a manner that is consistent with today's context; to review its success, its failures over the last decade.

The minister or the government will argue, "Well, that's done in the Heritage Savings Trust Fund standing committee of the Legislature." Well, it's done there to some extent, of course, but that isn't in full public view. It doesn't give the opportunity for each member of this Legislature to represent the views of their constituents in that debate, and it is, again, in the interests of the government that whatever debate is permitted in that way is limited to a very, very — almost private — hidden standing committee process. It seems eminently reasonable that we should be able to set aside some of the 12 days that are allocated to the Heritage Savings Trust Fund debate for a general debate, and I can think offhand of many, many reasons why that would be the case.

Let's just talk for a minute about the success or the failure of this government in achieving the stated objectives of the Heritage Savings Trust Fund. I remember that one of those objectives was a rainy day liquidity that . . .

MR. CHAIRMAN: Order please, hon. member. The Chair feels that the hon. member is attempting to make his general comments about the Heritage Savings Trust Fund under the guise of the point of order. I think the members of the committee have gotten the gist of what the hon. Member for Edmonton-Meadowlark feels about this point. I know the hon. Member for Edmonton-Highlands is wanting to get the Chair's

attention again, but, to be orderly, I think everybody is given one chance to speak to their point of order and then the Chair has to try to come to some conclusion.

I see that the hon. Member for Edmonton-Kingsway also wants to, but if the Member for Edmonton-Meadowlark has not finished his contribution on the point of order, I would ask him to do it briefly and succinctly.

MR. MITCHELL: Thank you, Mr. Chairman. While I respect your ruling entirely, I certainly disagree with your assumption that they have got the gist of these comments. I still see about as many blank stares over there as there are members, and I had one very, very pertinent point to make that I thought would awake them from their complacency on this important issue. That was by way of example and by way of illustration for the need to extend debate on general principles: an assessment of the heritage trust fund's success or failure in achieving the stated objectives, the objectives stated by the previous Premier of this province for that fund, one of which was rainy day liquidity. I defy any member of that caucus to tell me that there is any liquidity in that Heritage Savings Trust Fund. You can't scoop up and sell the Kananaskis park or the Walter C. Mackenzie hospital for change or cash so that you can create jobs today when we're having the difficulties that . . .

MR. CHAIRMAN: Hon. member, order please. [interjections] Order please.

Hon. member.

MR. MITCHELL: Mr. Chairman, just to summarize, then, it is essential after over a decade of the operation of the heritage trust fund that we have the opportunity in open public debate to debate more than the specifics, the nuts and bolts, of this year's expenditure from the heritage trust fund, which is a relatively minor proportion of the entire purported assets of the heritage trust fund. It defies logic, it defies responsible government, it defies any assessment of accountable government that these people should stand in the way of this eminently reasonable request.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I wonder if we just couldn't look at it as a sort of negotiating process, and wonder why it wouldn't make sense, particularly given the layout of the new document this year compared to last year. The details are laid out in the summary on the first page, which seemed to me to be a logical kickoff to a bit of a general discussion on the capital projects division particularly but also maybe some general overall comments of how that fits into the trust fund as a way of starting the debate on the heritage trust fund. We do have 12 days set aside by Standing Orders for this, and it's been traditional for us to agree that probably five days is about enough because it's, you know, usually \$150 million approximately for the capital projects division of the heritage trust fund estimates. If you compare that to the budget, where we get only 25 days for something like \$12 billion in expenditures, the five days is reasonably generous but none too much, and we could take the 12, I guess. It is allocated there.

So it would seem to me that a day or two or even an hour or so at the start, because that would probably be enough, to make some general comments about the capital projects division and how it fits into the heritage trust fund would make this approach

reasonably similar to the approach with the budget itself. As you know, the Treasurer brings in a Budget Address and we talk about the budget generally for a few days before we get down to the parts of it. It would seem to me that if you're to argue that there is the same kind of accountability on the expenditures under the heritage trust fund, then you should follow the similar procedure.

So I really don't understand the objections. I guess it's partly because it comes in near the end of the session. Everybody kind of wants out of here, and so everybody's in a hurry and says: "No, no. We don't want to talk about that." But, really, normally the government is quite happy to brag about the heritage trust fund and how wonderful it is, so I don't see why they don't want to get into this dialogue about the capital projects division overall, the handling of it, and the fund in general before we get into the specific details.

Now, it is true – and I think of last year, after a certain amount of arguing – that we could get into something of that kind of a discussion at the reading of the Bill, because after these votes are passed, the Bill has to come back before the Assembly and it goes through second reading, Committee of the Whole, and third reading. Last year we were promised at one of the readings – and I've forgotten just which, off the top of my head – that we would get a chance for a fairly general discussion on the heritage trust fund. But then there was a change in who was in the Chair when the time came, and the promise wasn't remembered: all of a sudden I was being ruled out of order. [interjections] No, this is true; this did happen.

So I think the logical time to do it is sort of at the start, and quite frankly, we haven't prepared an enormous amount of talk and filibuster about this for three days or anything. There are some comments that should be made about it and there should be some replies from the government, and it would probably take half the day. If it took the whole day, that really wouldn't be so terrible. We've got 12 days, if we need it, to do this. In any case, I guess I make my plea on the point of order for a general discussion at this point on the capital projects division and how it fits into the heritage trust fund in a general way.

MR. CHAIRMAN: The hon. Member for Cypress-Redcliff on the point of order.

MR. HYLAND: Thank you, Mr. Chairman. Briefly on the point of order. I don't presently sit on Heritage Savings Trust Fund, but I have for a period of five or six years previous and would like to note that there's ample time, I think, for members to express their views on the trust fund. We meet something like – was it 20 to 25 days? – morning and afternoon, on various topics. If members don't want to come to the meetings and don't want to attend, that's their business. If they don't want their views said, and say, "Oh, I don't want to go there because they're not listening to me," that's the decision they make, but I think the key is that there's a number of days on trust fund. I remember the most wide-ranging times that were allowed by the chairman – and that was more or less by agreement – were the two days when they dealt with the Premier as chairman of Executive Council and with the Treasurer as the chief administrator of the fund. It was pretty much wide-ranging debate, Mr. Chairman, through that time. I think that's an ample opportunity, and then the members have their opportunity to convince the rest of their colleagues about the usefulness and the lightness of their resolutions and to get them passed. If you

can't convince enough people of your view, that's the democratic system: the majority rules.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. members, the Chair feels that this matter is governed by Standing Order 58, which says that this Committee of Supply will deal with the estimates as called. Today the government has called three departments, if the time permits, starting with Agriculture. Of course, it doesn't mean that those three have to be dealt with today, but that is what the agenda provides for. It seems to the Chair that if the standing order is to be varied, then there should be unanimous consent of the committee. That could be arrived at through discussions with the various leaders, but at the present time the Chair feels we must proceed with the matter that has been called.

### Agriculture

MR. CHAIRMAN: The hon. Associate Minister of Agriculture.

MRS. McCLELLAN: Thank you, Mr. Chairman. I am pleased to appear today to report on the estimates of the Alberta Heritage Savings Trust Fund projects that fall under the Agriculture portfolio. I would like to make some brief comments on the three agricultural projects directly financed by the heritage fund: the irrigation rehabilitation and expansion program, the Alberta private irrigation development assistance program, and the Farming for the Future program. Following these brief remarks, with your permission and indulgence of doing it that way, I would be prepared to answer any questions from members.

MR. FOX: On a point of order, Mr. Chairman.

MR. CHAIRMAN: On a point of order?

MR. FOX: After the question period . . . Just a request to the minister: would she find it easier if we dealt with them: vote 1, vote 2, vote 3? That would entertain a discussion in an orderly sort of way, and we might even get to votes on them.

MRS. McCLELLAN: The committee's wish, Mr. Chairman. If you wish to do them that way, I'm quite happy to do that.

### 1 – Farming for the Future

MRS. McCLELLAN: Mr. Chairman, Farming for the Future was introduced in 1978 and is now in the fourth year of its current five-year mandate. Farming for the Future has been allocated funding through the Heritage Savings Trust Fund in the amount of \$5 million per year for its current five-year term. That term will end March 31, 1992. Farming for the Future has yielded concrete results for our agricultural community through each of its two funding vehicles: the research program and the on-farm demonstration program. The research program has achieved a most impressive record of scientific advances, including grains and oilseeds, livestock, special crops, food processing, and other agricultural sectors. Research projects have helped to encourage the diversification of our agricultural economy by testing a large number of alternate crops and by studying a range of innovations in livestock production and food processing.

Research conducted under the program has also helped to enhance the sustainability of our agricultural industry. A great deal of research effort has been aimed at soil conservation, land and water management, and the biological control of pests. Farming for the Future's on-farm demonstration program has also provided very significant benefits to the agricultural sector by dramatically reducing the time it takes to transfer research results from the scientists to the farmer. In my opinion, Mr. Chairman, that has been a concern to many of us in agriculture: technology transfer. In the on-farm demonstrations we combine the practical experience of farmers, the scientific knowledge of researchers, and the extension skills of our district agriculturalists in testing new agricultural technology under actual field conditions.

Mr. Chairman, I would end my comments on that program by just briefly referring to the co-operation and co-ordination that has occurred through the Alberta Agricultural Research Institute and the Farming for the Future program. I think that is very important. I would now look forward to questions and comments from my colleagues.

MR. CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'm pleased to address a few questions initially to the minister on the Farming for the Future program. I'm wondering if there still is a member of her government that is responsible for the Farming for the Future program who may make some comments to us before I do.

MRS. McCLELLAN: I apologize. You see, when you changed my route of doing things – that would have been my first point of acknowledgement. Thank you, hon. member, for reminding me.

Indeed, we do have a Member of the Legislative Assembly that sits on that council, and I am sure that the Member for Rocky Mountain House will be pleased to add his comments or answers to the questions throughout the discussion.

MR. CHAIRMAN: The hon. Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Chairman. I am very pleased to have the opportunity to make a few remarks about the Farming for the Future program and to answer any questions that may arise.

The Farming for the Future program is working very well with the Alberta Agricultural Research Council, and as you probably have heard, we are looking at the possibility of doing some amalgamation. The objective of that, of course, is to get more value for the dollar. Since both components have the same objective, which is, of course, to enhance agriculture and enhance the return to farmers through research, we feel we can possibly, by joining forces and working together in some of the same projects, enhance the return on the dollar.

This year in the Farming for the Future program about 10 percent more projects have been approved. The number now has gone up to 109. The emphasis is probably changing a little as well in those programs. Of course, conservation has become a very important highlight in the programs this year as well as the marketing and processing. The emphasis, of course, has to swing to marketing. There is no sense in producing something you can't market. So as we look at the markets, we have to also look at how we are going to add value to the raw product in the

province and, of course, get it to the consumer in an acceptable form and in a form that will compete favourably with other products on the market. So we will see some increase in that field, a very exciting field, I might add, as well: a number of projects where we look at the shelf life of meat, for example; the exciting things that can happen in the milk industry with different various ways of processing milk; all those areas that we are looking into.

So with those few brief comments, Mr. Chairman, I will look forward to some questions from hon. members.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. Some general questions first, perhaps, about the overall focus of the Farming for the Future program. I note that the program to date, at least as of last year, had allocated some \$43 million, \$44 million to the Farming for the Future program over the years it's been in place, and I asked last year if there had been any assessment done in terms of, I guess, a value-for-money audit.

We all know that research is important. We all, I think, support the aims of the Farming for the Future program, both the research component and the on-farm demonstration component of the program. It's very useful, and we're making use of the people who have direct, tangible experience and knowledge at their fingertips: the farm men and women who are out there doing the work every day. So I think that the aims of the program are laudable, and I have no doubt there are many successes that can be referred to. But I would like to know if there has been any sort of hard-nosed assessment done of the impact of the program on specific sectors of agriculture. Have we ever tried to sit down and do a value-for-money audit to make sure that we're getting a sufficient return, that farmers' incomes are in fact being enhanced, that their cropping options are being broadened, that the quality of life for rural Albertans is being improved and we can relate that directly to the expenditures under the Farming for the Future program? I should add a proviso there: I have no doubt that that is the case; I just think that we need to be able to provide proof of that for people who perhaps aren't as close to the industry as we are.

I'm wondering as well – there's \$5 million allocated to the program, it seems, on a pretty consistent basis year after year. Is there any indication as to whether or not that's enough? Do we get program applications from various research institutions and from farmers wanting to perform on-farm demonstrations that exceed the amount of money available? Or do we find – in the estimates here it shows comparable estimates for last year and estimates for this year; I'm not really clear on how much was spent last year and whether or not the amount available was sufficient. Should we be allocating more money, perhaps, to this program? Is there enough interest in the research community and in the rural community to require us to put more dollars into this program so that we can fund more things out there and provide greater benefit? I'm just not sure. Or are we in a situation where sometimes there's a bit of a scramble to find people willing to do some research?

I'm wondering as well: what kind of input does the department have? Is the research sort of need driven? Are the programs need driven? That is, are decisions made based on applications brought forward from research institutions or researchers wanting to do specific things and farmers wanting to try out specific things? Or does the department have some priorities in that regard, like going out and suggesting to people:

"We'd like to find these things out. We'd like to do this, that, and the other kind of plot trials to determine some things that we think will be of benefit"? So I'm wondering just if the minister would provide for us some information about the input that comes from her department in that regard.

In looking at that kind of broad overview, as well, of the Farming for the Future program, I'm wondering if we could have a little bit more of a description of the interaction that occurs between the Farming for the Future program and other people in other institutions doing research in the province. We know there's the food processing research facility in Leduc. The name doesn't come to me immediately, but there is that facility there that's trying to determine if there are better ways of processing, storing, preserving, and handling food so that we can enhance the value-added component of our agricultural sector in Alberta, providing service to entrepreneurs and people who have good ideas and maybe lack the resources to put those ideas to the test. I think it's a good facility, and I'm wondering what kind of interaction there is between the Farming for the Future program and Leduc.

Maybe the minister could describe, as well, what kind of interaction there is between the Agricultural Research Institute and the Farming for the Future program. I assume there's interaction. I hope there is, because I think these things need to be co-ordinated, and I think it would be useful for members of the Assembly if the minister or the Member for Rocky Mountain House, who has responsibility in this regard, would describe that for us.

As well, there are other institutions and centres of research in the province: the Alberta Research Institute, the Alberta Environmental Centre in Vegreville, the universities and colleges in the province that may be involved in research, the Horticultural Research Centre in Brooks; there are a number of them. As well, interaction between federal institutions of research: the stations in Beaverlodge and Lacombe, Lethbridge – places like that – the soil centre in Vegreville. I'm curious to know just how this all fits together and whether or not we can be confident that we're spending an adequate amount of money. I think all members would agree that if we want to ensure a healthy future for rural Albertans based on a strong and vibrant agricultural industry, we've got to be on the leading edge of research. I think we need to make sure that we're committing an adequate amount of public money to that because I think there's a substantial risk to the long-term viability of our industry if we leave too much of the responsibility for research in the private sector, because private-sector research, quite properly, is motivated by the need to enjoy immediate returns. The research is almost always short term, because there's a need to satisfy investors, to satisfy the legitimate profit needs of companies involved in research, and that's quite properly their focus. It's usually designed to come up with specific things, to address specific problems, and generate a return for somebody in the short term.

Our responsibility as legislators is to ensure that the private sector has the opportunity to do that research but not in such a way that it jeopardizes the public sector's responsibility, the responsibility of the government to be involved in research. I'm talking about the long-term, innovative kind of research that really does lead to positive changes in the future, because sometimes that kind of basic research doesn't yield immediate, tangible results. Sometimes it's frustrating. You wander around in the woods for a long time before clear directions become apparent or before successes are enjoyed. So I just want to be

assured, and on behalf of rural Albertans I want them to be assured as well, that adequate amounts of public dollars are being committed to research in terms of agriculture.

I for one feel very strongly that the responsibility for research must not be increasingly passed on to the producers in agriculture. There's sort of a user-pay concept in research that seems to be developing. I won't get into the debate here, Mr. Chairman, because it's not the proper occasion. But in the proliferation of producer commissions, marketing commissions, or commissions like the canola growers commission or the proposed barley growers commission or white bean or lentil commission, all these commissions express as one of their desires a need to get more involved in research specific to the production, culture, processing, and marketing of their particular commodity. That's not such a bad objective, but I feel it's not up to farmers to fund research, because the benefits are more broadly enjoyed. It shouldn't be user-pay. Certainly we need to access the resource, make use of the expertise of producers of these commodities, and encourage their input. But I don't believe it's their responsibility to fund public research, because Canadians benefit substantially from the wealth generated in the agricultural sector. If we can do a better job out there of producing high-quality products that will last longer, taste better, transport more easily, and help generate returns for the Canadian economy and a more satisfying quality of life for our citizens, then I think people would be prepared to recognize that there is a broad public responsibility for funding research.

I would really enjoy that kind of debate with the minister and the Member for Rocky Mountain House in terms of the votes on Farming for the Future because I think it is an important debate, moving into the 1990s and looking forward to the second century in agriculture, to coin a phrase used by a former Minister of Agriculture who convened a conference on that very topic.

Perhaps I'll leave it there, Mr. Chairman, and get back in on some more specifics about the research, if the minister wishes to respond.

MR. CHAIRMAN: The hon. associate minister.

MRS. McCLELLAN: Could I yield to my colleague from across the way? Perhaps I can answer for both at the end.

MR. TAYLOR: Mr. Chairman, just whatever system – if the minister would prefer to answer questions first or do us all together.

MRS. McCLELLAN: It saves some duplication.

MR. TAYLOR: Okay. I take it we're restricting ourselves to vote 1 at this time.

I had a bet on Farming for the Future . . . First of all, I'd compliment the government. I think they're on the right track in putting money into Farming for the Future, because I do believe there's likely to be a bigger revolution in agriculture and food production in the next 20 years than there has been in the last 50 to 70 years in industrial expansion. So it's nice to get out there at the cutting edge.

I also would like to ask whether they are doing some research in areas where I have a feeling that maybe they're not, and just give them suggestions. It may well be that they are, because it's impossible to cover all areas at once. I'm very interested in the work that they're doing in Kansas, in the midcontinent area of

the U.S., on no-till dryland farming. In other words, a plow never gets into the soil; they're using more or less a natural volunteer type of growth. Although the yield in sorghum and certain types of grass seeds may not be as much as on a tilled, fertilized soil, the fact that there is almost negligible input means that the profit per acre is higher than where we go to our fancy tilled system, which loses a great deal of our soil and loses a great deal of the natural ability, you might say, of a no-till area to gradually squeeze out some of the weeds and problems that we have in tilled areas.

The other area that I've been curious about. I still, not having a big pension as a retired cabinet minister, indulge a little bit in oil and gas and resources around the world. I was in Europe not too long back, and I noticed that they're doing some pretty good work with winter canola, and it seems to be catching on. As the hon. members for Rocky Mountain House and Chinook would know, being farmers that have been at it a lot longer than I have, I think more of the world is able to raise winter wheat and winter this or winter that than is able to raise spring grain. So if winter canola is catching on, just what kind of a problem might we be facing there? Is it possible that it would wipe out our canola crops or our canola competitiveness?

The other area that I'd be interested in a comment on – here again it's questions and not criticism – and it's almost hooked to the no-till, dryland concept, is game farming. I have become quite enthusiastic, as I tour the world in different spots, that a lot of nature's game – there's sort of a back-to-nature movement in everything from containing water to roads, highways, everything. Instead of trying to force Mother Nature into submission as we have since the industrial revolution, the idea now seems to be to use sort of an environmental jujitsu where you take advantage of what nature's forces are and turn them to your advantage. Of course, nature has shown that there are some breeds and some types of animals that survive very well. Now, I'm not suggesting gopher farming, which would probably be one of the best. If we could convince the New York and Paris restaurant tables that fricasseed gopher or barbecued gopher was the best thing in the world, we would probably be doing more than we could in any other way.

But let's go on a little step further, and I don't want to sound facetious when I mention gopher, but I am pointing to a trend. We have animals like elk and white-tailed deer that have survived through the years and through the advent of nature, and maybe these animals or some other animals – you might have other ideas; we're talking about buffalo – with a little bit of help and a little bit of aid in farming, could make much better use of it, under the beef and dairy cattle heading, than some of our more tame, European-derived breeds do. I'm just interested if you're doing anything in that line.

Next, processing and marketing. Although I started out as a farm boy, I've spent a great deal of my life in the processing of petrochemicals and oil and gas, and it's not that different. As a matter of fact, they're getting now so that you can make some oil and gas edible. Next time you pour cream in your coffee, you might take a look and see whether it was made by a cow or by an oilman. Quite often they're not that far apart.

What I'm getting at here, I guess, is that I believe there is an overconcern by many agricultural areas of the world, and Alberta seems to be no exception, that there is some sort of big profit or that our future lies in the processing of agricultural goods. Now, Mr. Chairman, what I want to get at here is that if the processing can't be done economically – in other words, on a profit basis – it shouldn't be done at all. Because one of the

problems we have with modern government is that some of us, I think, are still mired in the birthrates of two and three generations ago, when there was an avalanche of children. Every farmer had only one of his sons who could farm, but another four or five that had to have work. So the immediate thought came into mind that we should have a cleaning plant or a dairy plant or a canola plant or an egg plant or some other plant or some sort: anything to create jobs. Well, now the farmers, like the city people in everything else, are very lucky to replace themselves as far as natural production is concerned. I think the average is running about 1.8 or 2.2 children. If you take the fact that one will run away with the local traveling salesman and the other will be off to the city to make big money as a doctor, that doesn't leave too many people out in the rural areas to do all the so-called processing.

So what I feel is that there has been too much money spent in trying to get processing to work, which is making water run uphill, and the trouble with subsidizing processing is that it ultimately comes back on the primary producer. The primary producer either has to take less for his or her goods in order to have the product of a processing plant that shouldn't have been built there before, penetrate the markets down in Chicago or Toronto, or the taxpayer has to put in money to keep the processing plant flying. You've heard my friends here on the right talk about how awful it would be to lose the jobs at Gainers. Well, they start this gimmick and you've got yourself a bear by the tail and you can't let go, whereas Confucius said that he who rides a tiger dare not dismount. You have these little areas of processing and workers that are not economic, that have been put in there by subsidy, and what happens is that there is such a distaste that develops amongst the taxpayers, a large part of whom don't know which end of the cow has spigots or not, that when you start talking about putting money into processing, the whole thing reflects badly back against the primary producer.

I would like to suggest that in the Farming for the Future programs we take a very, very close look, because I notice here, talking a little bit about processing and marketing, the idea that a sheep that is processed here – and "sheep" is a bad word, because lamb processing is profitable; a lot of our other stuff isn't profitable – or a pig that's processed in Alberta will sell any better on the Chicago market than a pig that's processed in Omaha is silly. The point is – and this is where you should learn from the oil and petrochemical industries and the automobile industry – we don't build automobiles in Labrador where the iron ore is; we don't put oil refineries in Chinchaga and Peace River where the oil is. We take the raw material to where the product is and where the consumers are and try to do it that way. I know I may be talking very, very dangerously, because agriculture for years has been so . . . I see enthusiasm from the associate minister. I'm glad to see that, because in this area I'm probably more right-wing than nearly anyone here, but I've been associated with processing chemicals so much for so many years. I see the hon. Member for Peace River. Well, there's a classic example. We could pay his salary, all his friends' salaries, truck all that bloody canola to the other end of the country and truck . . . [interjection] You've got a point of order?

AN HON. MEMBER: He's just wandering.

MR. TAYLOR: Oh, I'm sorry. I just thought he had a point of order.

The question is . . . What I would be interested in seeing is processing that's economical, but processing that has to be subsidized – for God's sake, spare us that.

Thank you.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. It's rather fun to get up and speak a little bit on some areas other than just the Economic Development and Trade and Treasury kinds of things that I usually deal with. I was born and raised on a farm in the Peace River country, so I like to kind of keep an eye on what's happening in agriculture. The Member for Vegreville does such a good job of critiquing the area that I seldom feel that I need to jump in and back him up or help him on anything, and I'm certainly not doing it in that spirit today. I merely wanted to get a few comments onto paper, some things that occurred to me as I looked through the estimates and some of the annual statements, that sort of thing.

The first thing I guess I wanted to address very briefly is the comments made by the Member for Westlock-Sturgeon. I can't help thinking that while he raises an interesting dilemma, he's only looked at part of it, and I don't really agree with him. So I wanted to add a few comments to the can of worms that he opened. He talked about the difficulty of trying to get secondary processing of agricultural products going. While I agree that certainly it's difficult, particularly at a time when agriculture seems to be under siege all the time, having trouble keeping people on the farm – it seems like every farmer has to own bigger and bigger lots of land in order to be able to survive, and so we get a denuding of the countryside going on. Nonetheless, it would seem to me that we do need to continue to try to develop secondary processing, but I would see some of the difficulties in a little different light than what the Member for Westlock-Sturgeon raised.

We have entered into a free trade agreement recently, and the minister has indicated, of course, that it's working wonderfully, and the Member for Vegreville, of course, has said that it's not working very well. I must say I agree with the latter. But what the free trade agreement does – and I think this is where the minister can help me and perhaps have some comments about this. It would seem to me that in attempting to develop secondary processing in a free trade environment, we have to be very careful what particular products we try to develop. That doesn't say that you shouldn't have a broad base and try a lot of things, but we'd have to recognize, I think, that some of them may succeed and some of them may not. Because of the incredible agricultural development that is evident in the States and the secondary processing based there, they are in a very powerful position economically to buy out some of our best ideas or buy up some of our best companies based on some of our own tax dollars. Some of the research that we've done and developed may very well just be swallowed up by outside competitors and may end up leaving us spending quite a lot of money, which really ends up benefiting some other people more than it benefits us. So I think the minister might like to just address that problem.

The other thing is somewhat of a rebuttal to the sort of attitude that the Member for Westlock-Sturgeon put forward: that it's not really worth trying to develop secondary processing or jobs other than just basic production of, say, grains and livestock. It would seem to me that the future of agriculture, at least to some extent, for a lot of people is going to turn more to

locally controlled, locally produced products. Consumers are going to want to know that their products are not loaded with chemicals and that they're safe. In this day and age of the environment and people being concerned about their health, we're going to see a shifting of people in that direction, of consumers purchasing locally, and that's going to create some opportunities for farm people. It's going to mean that local people will be able to take over their own economies again and start producing what they consume themselves and what they can sell to nearby towns and cities. It's the antidote or opposite trend of the big food processor that services, you know, the northwest of the United States and the western provinces of Canada all out of one factory somewhere in the States. So that trend is there, and that opportunity is also there, and I think local people will take it up. I certainly hope they do.

I was looking at the stats on page 10, vote 1, and noticed that the number, \$5 million, in the Farming for the Future program is the same this year as it was last year. I got out last year's book, and it's the same for the year before. I think it's been the same now for about four years or five years. I guess I would remind the minister that if the program is to stay at the same level, inflation does occur and you have to increase the amount of money each year just to stay even. So I'm wondering if the fact that the amount has stayed at \$5 million every year for several years now and maybe forever – I don't know how far back that goes. I see that some \$48,577,000 is the total invested up to this point; that \$5 million may stretch back 10 or 11 years, I guess. In any case, I would ask the minister if the fact that that amount has not been increased is an indication that the government is somewhat less enthusiastic in its support for the program now than it was in years gone by.

Also, I took the trouble to look through the Farming for the Future Progress Report for 1989 a little bit, and it's a good document. I commend the people who put it out in listing all of the various research projects that have been done by the research council in the last year. Of course, some of them are ongoing and have gone from year to year I should think. I thought there was just an excellent variety in types and kinds of research. There's one particular one I wanted to just use to raise a particular issue. On page 20 there is a project mentioned called "Intensive Culture of Irrigated Soft White Winter Wheat." It says underneath it: "to determine the feasibility of growing soft white winter wheat in southern Alberta under irrigation." Now, traditionally wheat is not an easy crop to grow under irrigation, I think, and I guess I'm just asking what degree of success has the . . . [interjection] Pardon? I just wanted to know what degree of success that program has had. We generally think of wheat as being a difficult crop to irrigate, and so I'm kind of wondering how they've been able to make that work or if they've been able to make it work on a commercial basis. Of course, I do that also in the context of the whole question of: how much money and effort should we put into irrigating the various kinds of crops in dry regions when we get enough rain in other regions? I say that not to knock the irrigation program casually; I say it to raise a serious question that we raise fairly often.

I did have an opportunity one time to fly from Calgary to Medicine Hat with the Member for Cypress-Redcliff, and it was very interesting, looking down at the patterns of land development. You could see the sections where the irrigation really worked and see the sections that weren't irrigated and the differences in them. Of course, the member was able to explain to me, quite a lot of what was going on and the benefits of

irrigation in that area. So I came away with a bit of a new appreciation for the efforts to irrigate southern Alberta. You nonetheless have to ask the question of how cost-efficient and cost-effective it is and keep that at the back of your mind when you're developing any program. So I'd appreciate some comments from the minister on that particular question.

There was something on page 29, I believe, that was just an outline of the various research institutions that get a lot of the money from this program. I note that the Beaverlodge experimental station still gets the second largest amount of money of the experimental stations. That, of course, is the area where I grew up, and the station had a tremendous reputation among the farmers of the area. They always turned to it for information about an incredible number of things, and I knew some of the people that worked there. Certainly the benefits to agriculture, to farmers, of these experimental stations is something that is really tremendous. Now, these particular ones were set up by the federal government, Agriculture Canada, but it's nice to see that they're also supported by the provincial government.

So, Mr. Chairman, that's most of the comments that I wanted to make and questions I wanted to ask, and I would look forward to hearing some comments from the minister.

MR. CHAIRMAN: The hon. Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I'll be very brief and very quick, but I have one or two points I'd like to mention. I appreciate the identification of Smoky River. There seem to be some people here in the House that really aren't aware that there is a Smoky River. They talk about Smoky Lake; they talk about Peace River; they talk about other places. It's unfortunate that they don't recognize that there is, indeed, a Smoky River, which is perhaps one of the most important agricultural areas within the province of Alberta.

Two items I want to touch on. One is the area of applied research. I think that's an important area, an area that perhaps we should address in a more fulfilling manner. It seems to me that applied research is where we should really be focusing most of our attention as far as Farming for the Future is concerned. There are other areas that can provide funding to the actual in-depth, specific type of research, but the applied research is a transfer of the actual research that has taken place to the fundamental use of that research. I think it's important that we address that, and I think it's important that we deal with some funding in that area.

[Mr. Jonson in the Chair]

We have a very successful project in the Smoky River municipality; it's called SARDA. It's been in place for several years now, and it's certainly working very well and is showing that, indeed, this concept can be a total success. It's a grouping of farmers, of government people, of industry people, where the whole package has come together and the results are certainly starting to bear fruit now. It's an area that I'd like to see some additional focus from the Farming for the Future funding placed on, not just in our area but throughout the whole province. I think it's got a potential to be extremely successful as a technology transfer program.

The other area is processing. We've heard all kinds of criticisms about processing. We have to appreciate and we have to understand that if indeed – as the hon. Member for Westlock-Sturgeon, the spokesman for the funny farm over there, so often

alludes to – we're going to go to the centre of population . . . Well, they do have a good Liberal government in Ontario. I understand that, and I can understand that as a good Liberal you would send all the processing from Alberta to Ontario. I can appreciate your particular political position, but let's remember that we are Albertans, and let's remember the producers of Alberta. Let's focus on the producers of Alberta, and let's not worry about the politics of Ontario and the good Liberal regime that our hon. member expounds. I think it's important that we recognize the needs, that processing doesn't start today and be an instant success as well.

We're in a competitive world. We have many disadvantages, but we've been successful with many of our processing projects, and it's only through persistence and through the learning experience that you develop successful processing. Sometimes you do have start-up problems, and sometimes you do have to refocus your direction, but let's not give up on that. I would very, very much urge the minister to carry forward the needs of the producers in that area and to recognize what, indeed, we are trying to do and what the producers of Alberta need.

Thank you.

MRS. McCLELLAN: Mr. Chairman, I will keep my comments fairly brief. Some of the discussion has been quite extensive, and again this year I find that an awful lot of the work that needs to be done is some background work on the actual Farming for the Future program. I think that's better being sent to the hon. members, on the actual working of it. There's a very good mechanism for the delivery of Farming for the Future, how it's set up and so on, so I'd be happy to share that with the hon. members.

The questions from the Member for Vegreville on the assessment of the economic benefits. We discussed this before, on doing this, and it is still something that I think we will continue to pursue. However, we would have to commit some funding, I guess, from the program for that. At this point we have been looking at the studies that have been done on the benefit of agricultural research to the industry. The published studies that we have seen suggest that the annual rates of return on investment in agricultural research range from 39 percent to 100 percent, so I think it's substantiated that agricultural research does pay off. We do an ongoing assessment of our own programs and see it in the development of varieties and strengthening of our red meat industry and so on. But that's something we'll continue to pursue and to assess the need for.

The Farming for the Future committees I should perhaps mention. There are nine committees that deal with a large variety of areas of agricultural research, such as grains and oilseeds, ruminants, and on and on and on. Each one of those committees assesses the research projects that are applied for, and the successful applications are based on those committees' recommendations. The makeup of those committees are people who are either academic experts or producer people with an interest in that segment of the industry. So we feel the assessment is done in a very good way through those committees that assess each one.

Part of the Farming for the Future program is the dissemination of information, and of course the progress report which the hon. members have alluded to, and also the research report. I would mention to the Member for Westlock-Sturgeon that the research report that is published does list all of the research projects that have been approved with some detail. Also, the information that is received from the reports does come back to

the Farming for the Future program and is available on a data base to producers or to anybody who would request it.

Also in my comments, because I sort of changed the order of what I had planned on doing, I neglected to mention to you that the Deputy Minister of Agriculture, Ben McEwen, who is in the gallery, is the chairman of the Farming for the Future Council. As we indicated, the Member for Rocky Mountain House is the Legislative representative on that council, and we do have support staff from our department that works with that council. So on the question of: is there co-ordination, is there input from the department? – yes, very much so, and through that process.

The specifics on some of the research areas I think I'll leave to a more detailed written response: on winter canola and game farming and no-till. We've done a number of no-till projects.

The discussion on processing and marketing. There is an area that we look at. I would remind all hon. members, as the Member for Smoky River did, that Alberta is an agricultural producing province; however, we export at least 80 percent of what we produce. If there's any wild idea that someday in this province we are going to consume what we produce, we will not have a lot of farms left. As far as developing processing and doing market research, very important. I would again concur very strongly with the Member for Smoky River that I and I think our government and our department do not believe in sending our jobs behind our raw products to other countries or even across the border. We export our products to many countries in the world – very important to us – but if the value-added in processing can be done and should be done and it makes sense for it to be done in Alberta, it will be done here. A way of finding that out, in a lot of ways, is the work through processing research, market research, the work with the Leduc food centre, to help work with our private sector to develop products to sell in those other markets.

MR. TAYLOR: Free enterprise will find it. If there's money in it, free enterprise will do it. They don't need your . . .

MRS. McCLELLAN: You had your chance; it's my turn.

As far as being frightened of failure, well, I guess if we never try anything, we will neither succeed nor fail. But I would not want to be in the agricultural industry in this province under that basis. I am a farmer and have been raised in the agribusiness or the direct primary producer level of this industry all of my life. Thank goodness we have a government that is willing to believe in the free enterprise, the entrepreneurship, spirit that built this province and gave our people the opportunity to try and to succeed or to fail, whichever it may be.

The question from the hon. member – sorry; I've lost my . . .

MR. FOX: Edmonton-Kingsway.

MRS. McCLELLAN: Right. Edmonton-Kingsway. With respect, hon. member, keep working with the hon. Member for Vegreville on agriculture. I appreciate your interest in it. I think you might appreciate my comments on processing and my belief in it: that it will be and should be done in Alberta. On the specifics on the project on soft white wheat, you should understand that soft white wheat does grow under irrigation very well. It's a very high-yielding wheat. It is different from red spring wheat or durum wheat, which also grows under irrigation very well. The difficulty with hard red spring wheat in irrigation is the protein content and the milling content for bread flours.



But soft white wheat is primarily for pastry flour and cookies. There's a great opportunity for expansion of that market in Asia and other areas. It's a great opportunity for our province for soft white wheat. So there's quite a difference in the ranges of the wheats.

I appreciate the comments on the applied research; it is very important. But I would also remind hon. members that although Farming for the Future does the on-farm demonstration programs, we do support a number of applied research associations in this province that do support applied research in specific areas. Part of the value in that is that many of them are located right in the areas where they do the research. They prove it for that climatic and soil area, so I certainly support that.

I think that I will conclude my remarks, and we will definitely go through the transcripts and in a written form answer anything that we may have missed.

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

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Farming for the Future, vote 1. Oh, the Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I would like to take advantage of the opportunity, the 12 days that are here for us to debate estimates for the Heritage Savings Trust Fund capital projects division, to make sure that we devote at least a little bit of time to Farming for the Future. I appreciate the minister's efforts to respond, and I think she sets a good example for her colleagues by responding in writing at some later date to questions raised.

I have no doubt that the Farming for the Future Council, from my knowledge of some of the people involved in the council, is very representative of the agricultural community in Alberta, both in terms of education and production. I think the minister's got a lot of good support there. I'm wondering, in terms of the resources of the Farming for the Future program – there are a lot of people on the various committees, a lot of input from various people into the committees. Could she tell us a little bit about the form that that takes? I understand that the Farming for the Future Council meets and makes decisions, but in terms of the people who belong to the various program committees and regional review committees, how often do they meet, and do they receive some sort of remuneration for their efforts? I'm wondering if the minister has made any assessment as to whether or not we're spending enough to encourage expertise that way or spending too much. I'd appreciate her comments in that regard.

I remember raising a concern with her last year, trying to get an indication from her, because the minister has placed such a high priority on soil conservation. Mr. Chairman, members might remember her first year in the Assembly sponsoring a new Act and taking an active role in promoting soil conservation around the province in her role as associate minister. Because there is some program breakdown provided in the Farming for the Future progress report about program areas – it breaks it down into research projects, both new and renewed, plus dollars awarded to cereals and oilseeds crop protection, entomology, et cetera – I'm wondering specifically about money going towards projects that encourage soil conservation or promote better cultural methods so that we can move towards ways of farming conservation, agriculture if you will, that don't jeopardize that

fragile resource. I can see by going through the list that there are some projects that certainly have focus in that regard. I'm wondering if the minister could assess for us the number of projects and the number of dollars that are devoted specifically to that kind of project with regards to soil conservation and then do a comparison from one year to the next to see if we indeed are committing more dollars to that important priority, if we can see that there is a greater effort being expended through the Farming for the Future program to try and develop, as the minister refers, no-till or more perennial grains, for example. So I'd appreciate any comments the minister might have in that regard.

There is a bit of a breakdown in crop protection and entomology – cereals and oilseeds, forages, et cetera – that would include projects that relate to developing biological methods of control. The minister alluded to some effort in that regard. I wonder if she might be more specific in her response about the amount of dollars going towards coming up with biological alternatives. I think if we want to do something really useful for agriculture – the people who produce the food and for consumers, the people who eat it – we need to move towards not just sustainable kinds of agricultural systems but regenerative agricultural systems that enable us to produce quality food in sufficient quantity at reasonable costs without jeopardizing the environment through the increased use of chemical inputs like pesticides, insecticides, herbicides, fungicides, et cetera. It's a difficult objective; it's a difficult thing to do. We need to produce and we need to produce efficiently. Certainly chemicals have provided a lot of advantages in that regard, but there are also some liabilities that the minister is well aware of, and as we market to an increasingly concerned and aware population, I think we as producers or people concerned about agriculture need to be able to show that we are making a greater commitment towards producing food without the aid of toxic inputs and things that cause problems.

Another suggestion I might make in that regard or that relates to the minister, and I hope she would comment on it. Farmers, most of whom use chemicals to produce crops, be it herbicides to spray the weeds – but I guess primarily the major expenditure in the northern part of the province anyway. We don't have, fortunately, much of a problem these days with insects. I guess fleabeetles in canola, perhaps some problems with armyworms here and there, and grasshoppers, but generally the farmers spend a lot more money on chemicals trying to control weeds in their crops. I can tell you there's a lot of suspicion in the farm community that we're being hosed when it comes to buying these things, that the companies charge an arm and a leg for the five gallons or 20 litres of chemical that you buy to mix in your sprayer and put on the field.

The minister is well aware of a group formed called Focus on Inputs, a group of producers who are attempting to promote the use of the Roundup type chemicals for various purposes, as desiccants and as control for problem perennial weeds. But, as well, I think part of their mandate is to try and lower the cost of the stuff, because they believe, I think with some justification, that chemicals are overpriced, that the companies – and who can blame them. Charge what the market will bear. I mean, they're in business to make a buck, and quite properly they should charge whatever they can. They're not there to try and give us a break, but it's up to those of us who advocate on behalf of producers to make sure that, you know, we're putting some pressure on them to make sure their costs are fair. I'm not sure

that the kind of limits that exist in the patenting system provide adequate protection in that regard.

The specific suggestion I wanted to make to the minister came to me from a farmer up in the Peace River country when I was there meeting producers whose crops were snowed under and who had a lot of problems. He was wondering if any research had been done to determine what the cost of production was for various chemicals. I know a Conservative government always lives in fear of offending the private-sector companies that donate so generously to them at election time, but I think it would be useful for the Farming for the Future program to bring in a program through one of the universities or one of the research institutions to try and determine what the cost of production is for chemicals like Banvel or Buctril-M or any of these things that are used or some of the newer chemicals, and make that information available to farmers so they could compare and shop when they buy their chemicals and maybe tend to purchase chemicals, all things being equal, from companies that are a little bit more reasonable in the prices that they're charging. I think that would be useful, and I pass that on to the minister from the producer I spoke to in the Peace River country.

Another project I'd like to suggest to the minister in the hopes that it would be considered at some point by the Farming for the Future Council is the production of ethanol. It's an issue I've tried to bring before the government in a number of different ways over the years through a former minister of agriculture. We've discussed it in terms of energy, in terms of environment, and I've run into a brick wall at every turn trying to convince this government that there's a bright future for the production of ethanol in the province of Alberta. I think some research dollars through the Farming for the Future program would help substantiate that, that a grain-based ethanol fuels industry in Alberta would have obvious benefits to the environment moving towards lead-free gasoline. I believe the deadline's coming up in December. There's a need for lead alternatives to enhance the octane rating of gasoline. Ethanol does that without polluting. So I think it's a benefit to the environment in that regard.

Ethanol is also benign in terms of its impact on global warming and the greenhouse effect, in terms of the accumulation of carbon dioxide in the atmosphere, because unlike coal and fossil fuels, when we burn fossil fuels – coal and oil and gas – we reach down into the earth, reach back into history, and pull up a bunch of carbon that was put there centuries ago and burn it and release carbon dioxide into the atmosphere. Fuels produced from grains – ethanol fuels, for example – recycle carbon. The growing plant, you know, generates carbon from what it takes out of the atmosphere and out of the soil and out of the nutrients. I'm not completely sure of that process, but that's what it does. Then when we burn that, it recycles atmospheric carbon and does not add to global warming. I think we have to recognize that as something that would have a benefit to agriculture, because global warming – if indeed the greenhouse effect is a pending problem, and most of us feel it is – poses a substantial risk to agriculture in Canada, especially in Alberta, where we operate on very, very thin environmental margins. The number of frost-free days available to producers in most parts of the province are few, and it's very precarious. If we have late spring frosts, if frost-free days start later in May than normal and we get frosts regularly early in August in my neck of the woods, we're not going to be able to produce very much in the way of crops.

So global warming presents a big problem for us. I think that moving towards ethanol-based fuels would help in that regard, and I'm hoping the minister would agree to doing some research in that regard. I believe that the government shouldn't see ethanol as a threat to their cherished oil, petrochemical, and gas industries. In fact, I believe the Minister of Energy would confirm some concern in the oil and gas industry that they're being branded as the culprit for global warming. If they could demonstrate some willingness to work together with a thriving ethanol industry in the province of Alberta, then it may spruce up the tarnished image of the fossil fuels industry.

In terms of other benefits that I might clarify for members of the Assembly, benefits to agriculture of an ethanol-based industry in Alberta, certainly no one would quarrel that our agriculture relies on increasing and healthy export opportunities. Without exception, as far as I know, the best markets for us over the years have been our domestic markets. Let's not forget that. If we can increase domestic consumption without jeopardizing our export potential, if we can increase domestic consumption, we're doing our farmers a favour. The production of ethanol in Alberta would create additional domestic market opportunities, stable domestic market opportunities for producers, and would, I submit, enhance the economic viability of agriculture. Research could be done through Farming for the Future, for example, to determine which grains generate the best yield of alcohol per acre, which grains when fermented form double-rectified bushhead, as the Member for Rocky Mountain House likely calls it when he goes to buy moonshine out that way.

But when you produce that, there are also by-products. Which grains yield the maximum or the best quality distillers' dried grains? We get alcohol from it; we get distillers' dried grains. Are there some varieties that would work better than others in terms of producing a mash for feeding livestock or in terms of producing, as in the case with some varieties of wheat, a dried flourlike powder that can be used as a protein enhancer for relatively lower quality foods? So there are a lot of opportunities for research there. I think Farming for the Future would be wise to look at them.

Another advantage to ethanol that I think is of concern to the minister is that it opens up economic development opportunities outside the major cities, unlike the MTBE plant that the Conservative government seems so keen on building near Edmonton to produce another potentially noxious additive to gas to replace lead. That's going to be built near Edmonton and cost a lot of money and not do much of anything in the way of benefit for our rural areas. Ethanol plants could be placed in rural areas. It doesn't necessarily mean that there have to be two or three moderate sized plants in the province of Alberta to produce ethanol. There are technologies that are being developed to do much more localized kinds of production, where farmers or groups of farmers work together to invest in or develop small production capabilities and then produce fuel for themselves. I mean there are some exciting . . . I don't mean this to sound like a Third World technology where, you know, producers go out and generate their own fuel, but there are possibilities there. I think we could find ways of producing ethanol that may be small-scale effective. If we could do that, it's exciting both in terms of creating markets domestically, in terms of lowering the costs of producers or lowering their reliance on international prices for petrochemicals.

So I would like to leave that suggestion with the minister, hope that they would encourage and stimulate some research on ethanol. We have to find some advocates for the ethanol

industry on the government side. It can't just be the opposition that's promoting this, because what we're going to have is an opportunity lost if we don't twig to what's going on in Canada right now. The ethanol industry is alive and thriving in Manitoba. The Mohawk plant there at Minnedosa is regularly selling their product in the Alberta market. They're enjoying a greater acceptance from consumers because it's environmentally progressive. Just to remind members who might want to fill up there – and I promise you I don't get any free Mohawk hats or bumper stickers for doing this. Instead of relying on subsidies, which the government claims the industry would have to rely on, they're selling their ethanol and their premium grade of gasoline, premium plus, and accessing the extra dollars that consumers are willing to pay for that fuel that has the highest octane rating available in the province, in addition to its nonpolluting capabilities.

So if we don't act and act quickly to get in on the ground floor of this developing industry, the opportunity will be lost, because it's developing the Poundmaker facility in Saskatchewan in conjunction with a feedlot there. The Manitoba facility that I referred to: Alberta could again lose out on an important opportunity because of the blinders that the government has had on over the past several years. I hope the minister and her colleagues wouldn't refer to the thoroughly discredited reports produced by Touche Ross on the viability or the potential viability of an ethanol industry in Alberta, because I don't think it was a fair and balanced assessment. I think we were able to demonstrate that clearly in the Assembly here.

I might, just in closing on that, remind the minister that even though there are some nonviable ethanol production facilities in the United States that have closed down or phased out over the years, it is a developing industry. There are some advances in technology, so there are new plants coming on stream. It is moving forward and growing, and one of the reasons is that a number of states are mandating the use of ethanol fuel. They're saying that fuel shall contain certain percentages of ethanol if it's going to be sold in our state because we're not prepared to put up with as much pollution. We want an environmentally friendlier or benign kind of fuel. We're interested in moving towards renewable resource . . .

MR. TAYLOR: Are you filibustering, Derek?

MR. FOX: We've got 12 days here, Member for Westlock-Sturgeon.

MR. TAYLOR: It's 12 days you're going to go, right?

MR. FOX: Twelve days.

It's a renewable source of energy as well. That appeal being made – I've tried it in terms of the Agriculture estimates; I've tried it with Environment. I discussed it in terms of Energy. I've run into brick walls, but I think I've found likely the most progressive minister in the cabinet, one who's got her head squarely on her shoulders and who will, I hope, join me in advocating for the people of Alberta on this important program.

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

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Farming for the Future \$5,000,000

## 2 – Irrigation Rehabilitation and Expansion

MR. DEPUTY CHAIRMAN: Any opening remarks?

MRS. McCLELLAN: Mr. Chairman, I think I'll just yield to questions. This is a very straightforward program. My opening comments and my closing comments together, in the interest of time.

MR. DEPUTY CHAIRMAN: Thank you.

Two members had indicated they wished to speak. The Member for Bow Valley? The Member for Cypress-Redcliff? Member for Westlock-Sturgeon, would you like to speak?

MR. TAYLOR: Yes. I thought you were calling the other names first.

MR. DEPUTY CHAIRMAN: I did, hon. member, but they did not respond. Please proceed.

MR. TAYLOR: It's not often, Mr. Chairman, you start out a meal with the dessert first, but I will go anyhow, I think.

With respect to the irrigation rehabilitation, these are just gentle questions again. I'm not leaping all over anybody there. I think irrigation rehabilitation's one thing where money is wisely spent, to make sure every drop of water gets to where it'll be used best. But I was just wondering if this heading is enough for the minister and her department to go into other areas. I'm quite concerned about aquifers and the recharging of aquifers, particularly through the area south of Edmonton. In the Legislature one of the questions I've asked of Environment, of Energy, and of the other Minister of Agriculture leaves me with the impression – and I hope it's wrong, but I'm afraid it's right – that nobody is looking after aquifers and that things are pushed off to the side. The reason I bring that up is that I wonder whether aquifers wouldn't be a reasonable area to have under here, because it is a source of irrigation water. I'm getting the minister's shake of the head, and that's what I said I was afraid of: nobody's in charge of aquifers. The only people interested in aquifers, apparently, are in the oil business, who use all the water they can get out of it for free. Anyhow, that's one of the areas.

The other source is that I was wondering if they've done any research on the question of tree planting. Now, you may think that tree planting has very little to do with keeping a ditch in good shape, but I'm sure that any irrigation person will tell you the same. I've always been rather intrigued as to what kind of volumes of water are used by the trees or if there's been any kind of cost/benefit analysis done of what trees use up in water use along canals. I know there's a great deal of talk about lining the canals and what you're doing with the canals, and I was wondering if any work had been done on just how much a tree does use and if it's a good use. In other words, personally I think that from the aesthetic point of view and having lived in irrigation a good chunk of my life, the trees are well worth while. But I'd be intrigued to know if there's been any study.

I'm disappointed to hear that none of these moneys is used at all to check out aquifers, because I have still to find, after four years in this House, that anybody is checking aquifers at all except the oil and gas industry, and that's sort of like letting Colonel Sanders look after your chickens.

Thank you.

MR. HYLAND: Mr. Chairman, to briefly participate in the discussions, I should tell the Member for Westlock-Sturgeon – he wants to know about trees. I think he forgot the story that he usually tells, that he grew up in a country where trees chase dogs, which is about 10 miles from where I live. But I should tell him that if the hon. member wants to know what trees are like in irrigation districts, he should take a visit to the Western Irrigation District, where the biggest rehabilitation cost is getting rid of the trees that have grown over the canals. Because they can't be controlled, they've grown over the canals, and the cost of rehab there is in many cases more than what it is anywhere else, because that normally was a barren country. They seeded trees, maybe with the same thoughts, and the only place where there are trees, if you fly over Strathmore, is following the irrigation ditches. It's caused them a tremendous amount of money, because of the overgrowth of those trees, to clean out the ditches and then to keep them cleaned out, because they keep on popping through their lines and stuff like that.

Thank you.

MR. DEPUTY CHAIRMAN: Are you ready for the question? Vote 2 . . .

MR. TAYLOR: I just want two minutes. I didn't get the question answered completely. I realize trees give problems. I was wondering if there'd been any study, because trees have a good too, of course. Besides a good place to consume a beer on a Sunday afternoon, as they are in July and August, I believe they do other good things. I was just wondering – and that's what I'm a little worried about, a policy that is just dedicated to getting rid of trees. Have you actually done a cost/benefit analysis? For the amount of water they use, maybe we get some benefits that I can't measure right now.

MRS. McCLELLAN: Mr. Chairman, I'll just respond briefly. One, on aquifers. It's not really accurate, hon. member, that nobody's responsible for them. The Department of the Environment and the Water Resources Commission both would give you all of the information you might want on a study of aquifers, but they generally are not studied for use in irrigation in this province, to my knowledge.

Trees aesthetically are very nice. However, the Member for Cypress-Redcliff has outlined to you a problem that we encounter with trees growing along irrigation ditches. Certainly irrigation districts do have areas where they have – I guess it's hard to call it reforested or forestry projects in southern Alberta – used trees to enhance the areas and to make some pleasant opportunities for people to enjoy some of the irrigation project works that are there. As far as the trees along the ditches, I don't think we need to do research to know that it is an extreme problem in a number of areas, and as all of us know, to even plant trees too close to the foundation of our house can be a real problem. So I would say that lining canals with trees is probably something we wouldn't be studying too much; rather, how to get rid of them from along there.

Thank you for your comments.

MR. FOX: Mr. Chairman, I appreciate the hon. associate minister trying to help the Member for Westlock-Sturgeon find his way out of the woods. It's not an easy task, hon. minister, and I suggest you've got a long way to go.

But I would like to get some response from the government here. We're debating the proposals to expend money through

the . . . [interjection] Let me explain. We're debating vote 2 here, Irrigation Rehabilitation and Expansion. There are several members who represent ridings in the province where irrigation is a very important part of the production system, and I was hoping they'd take advantage of the opportunity to tell the members of the Assembly, hence all Albertans, about what's going on in their communities. Everyone gets up and says, "I'm going to say something briefly." The minister doesn't make comments at the beginning of this vote to tell us what the money's being used for and why it's of benefit. I mean, our purpose here is not to get through this in 15 minutes; our purpose is to make sure that in terms of spending \$25 million of public money, we've had an adequate chance to examine that and debate it so that people know what's going on. So I'm hoping that we'd get a little bit more information to stimulate discussion on this important area from the minister and from the chairman of the Water Resources Commission. Do I have that handle right, member for Cypress, Bow Valley, Medicine Hat, whatever that new riding's going to be called down there?

I'm hoping we can get a little more discussion on this important issue, so I'll ask one question to begin with. Last year I made a suggestion to the minister that perhaps some consideration ought to be given to having all of the expenditures that relate to irrigation rehabilitation and expansion, irrigation headworks, and main irrigation systems improvement done through the Department of Agriculture. Currently we have some \$25 million allocated to expenditures through the Department of Agriculture, vote 2, and we have a little over \$40 million proposed in vote 1 through the Department of the Environment. I think that in terms of the changing focus of the Environment department, albeit very slow in this government, the Department of the Environment is supposed to be there to monitor the environment and to provide a measure of assurance and security to the citizens of the province that the environment's being properly treated and that they're out there advocating that that be the case and making sure that where violations occur, polluters are punished. That's the role of the Environment department. I submit it's the role of the Agriculture department, if the minister would agree, to promote agriculture in the most responsible way and enhance production, enhance marketing, processing, and enhance the overall quality of life of people who are involved in the industry.

I think the government made some steps in this regard when they took the responsibility for dam building from the Department of the Environment and put it in the Department of Public Works, Supply and Services. It ended up with the same dam-building minister, because he got shuffled, so it's still in his hands. We'll have a chance to maybe discuss his handling of that whole issue when his estimates come forward. But I think it appropriate that we no longer deal with votes under the Department of the Environment that relate to irrigation headworks, main irrigation systems improvement, and that that be done in the context of the Agriculture department. I'd like to understand why that isn't the case now. What does the minister feel about that, and can we expect changes in the future?

MR. DEPUTY CHAIRMAN: Does the hon. minister wish to respond?

MRS. McCLELLAN: Yes, I'd be happy to respond. I guess that first I would want to say that the reason, perhaps, that there isn't debate on this side of the House on this program is the

understanding of the importance of this program to the province, both to the farmers on the direct side of irrigation to their crops but generally to all of the communities in southern Alberta, many of which – towns and villages and municipalities – depend on this conveyance system for their water supplies. For recreation, I believe I'm accurate in saying there is not a natural lake in southern Alberta. They are man-made for recreation.

MR. FOX: Person-made.

MRS. McCLELLAN: Lakes don't mind gender balance.

So it is a very important program to all of the province. Four percent of the agricultural land in this province is irrigated, and we have studies that show somewhere between 15 and 20 percent of the production results from that. You know, that's fairly impressive economically. We look at just simply the program which we are debating in estimates today, and we can also point out the benefits of man-years of work to the industry through engineering and construction that has occurred, which supports all of the things I've mentioned, like water supply for towns, villages, municipalities; agribusiness that can operate that couldn't without the water supply.

The question – and I recall the debate last time – as to whether this all should be under Agriculture or all under Environment is one that I guess we will carry on the discussion on. The environment program on the headworks is a 15-year program mandate, and with a . . .

MR. FOX: Fifteen or 50?

MRS. McCLELLAN: Fifteen – the present program. Perhaps that's more appropriate to look at when that program ends.

But the irrigation rehabilitation program really is directed to the rehabilitation of the canals that deliver the water to the primary producer, or to the farmer. I guess that's why we in Agriculture are involved in it, because we get involved in water management in that way, with the producer when they use it. So that debate we will carry on as the programs continue and discuss where they should fit.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for St. Paul.

MR. DROBOT: Thank you, Mr. Chairman. Very briefly I would like to perhaps respond to the comment of the MLA for Vegreville, and I would like to say that irrigation is a blessing even if we farmers all can't have it. Certainly in northern Alberta we have to look at other agricultural proposals.

But I would like to say in regard to the reason for irrigation:

One last look at the rain gauge  
The bottom is covered with dust  
One last look at the sky  
Can't see a cloud I could trust

Far off sheets of lightning  
Play tricks on a rancher's mind  
Bearing false promises they tease  
Leaving thoughts of rain behind

Gosh, won't it ever end  
I'm sick of two years of drought  
One more year like the last one  
And I might as well sell out

I've sold half of my cow herd  
Still feeding the others bought hay  
Nothing is green in the pasture  
But I keep looking anyway

I'm getting hard to live with  
Especially with those I love  
They say I should be patient  
But that I'm running short of

So I spend every evening  
Walking up there on the knoll  
Checking the clouds for moisture  
And I guess I'm searching my soul

Somehow it always reminds me  
That as bad as it seems to be  
The world is filled with people  
That are far worse off than me

No point in waiting longer  
The sunset is cashing it in  
Gladys and the girls are getting supper  
They will wonder where I've been

One last look at the rain gauge  
Filled to the brim with blue sky  
One last look at the heavens  
A speck of dust lands in my eye

Into the house I wander  
But outside there's nothing to gain  
Try to find an answer  
When will it ever rain

Mr. Chairman, I think irrigation is a must, especially for areas of the south or wherever there is drought.

MR. FOX: Well . . .

Members opposite speak words so often repeated.  
They certainly sound like lambs who have bleated.  
Ever thankful are we when those members are seated.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway.

MR. McEACHERN: When he sat down, I assumed he was finished.

I wanted to raise a couple of issues. I understand about the importance of irrigation, I believe, to the people of central and southern Alberta and appreciate the poem from the Member for St. Paul. However, I'd also remind the government that they went into a free trade deal. I did mention it a few minutes ago.

MRS. McCLELLAN: What's that got to do with it?

MR. McEACHERN: Well, quite a lot. There is a very distinct possibility that the Americans – under the talks that will start now, or are supposed to start soon anyway, about what's an unfair subsidy under the free trade deal – might very well consider irrigation to be an unfair subsidy to agriculture. So I would take a moment to point out to the Assembly that this \$25 million vote is only a small part of many votes and a lot of money that's gone into agriculture. Under this vote itself we're now up to \$286 million as of December 31, 1989, according to the latest heritage trust fund quarterly report. There's another \$29,000 for private irrigation water. Under the section of the Environment, there's \$409 million under irrigation systems improvement. So basically what I wanted to say is that we're

putting a lot of money into irrigation over the years in southern Alberta, and I would hope that the help it gives to the farmers there is not jeopardized by the free trade deal.

There are two aspects of it that bother me. One, a lot of the dams that have been built seem to be geared toward interbasin transfers in the future, and we know that the free trade deal does give Americans access to our resources, including our water resources. Yesterday I participated in an assessment of the free trade deal, a press conference with Ross Harvey and myself. A report that Dave Barrett . . . [interjections] Well, Dave Barrett did some hearings across this country on the free trade deal, and there's a couple of very relevant points. One was that point, that in fact our water resources are at risk under the free trade deal. So a lot of what is being developed and being built in this province may very well be geared toward shifting water into the United States. So we need to be aware of that and the possible problem in that direction.

But I'm more interested in the subsidy side of it. I don't know if the minister is aware, but the subsidy side of the free trade deal does really leave it wide open for the Americans to claim unfair subsidy on almost anything and certainly on this subsidization of agriculture which irrigation represents. You might recall that when the deal was just on the verge of being signed, Simon Reisman decided not to sign a couple of days before the deadline, and the reason was fairly simple. He had been badgering the Americans to give him a basic definition or some minimum demands that they wanted under what would constitute an unfair subsidy, and they had refused for about a year and a half.

Finally, about a month before that deadline, he got this point out of them – and it's a very relevant point to this. If this ever is declared an unfair subsidy, the minister had best understand this point. What the Americans finally said was that the only products that could be considered for an unfair subsidy claim by either side would be products of which more than 10 percent were exported to the other partner. Now, the implication of that was that Canada, as you rightly said earlier, exports a tremendous amount of products, including agricultural products, some of which may well come out of the irrigation section. If we sell more than 10 percent of that product into the American market, which we do not only in agricultural products but in many of our products, then the Americans could, if they wished, consider that product an unfair subsidy.

Now, on the other side of it, we in Canada hardly ever buy 10 percent of any one particular American product. Because they're a big country and sell most of it to themselves and also sell to other countries, they would hardly ever sell 10 percent to Canada. So we would hardly ever be in a position to declare unfair subsidy for any of their products coming into Canada, but they would be in a position to declare unfair subsidy for products going from Canada into the United States in many, many cases. Simon Reisman rightly said that that is not acceptable and walked out on the talks and went home. However, Mulroney and Wilson, as you know, went down, concluded the deal, and said that the unfair subsidy decisions would be made over the next five to seven years. So now the second round of negotiations is about to start on what are unfair subsidies.

In the meantime, however, what we've agreed to is this: that the dispute settling mechanism will decide, in each particular case where an unfair subsidy of some sort is claimed, whether or not the nation who is having the claim made against them broke their own laws. It so happens that Americans have brought in

in the meantime, while this negotiation was going on with the free trade deal, an incredible number of laws indicating the countervail rights they have and the number of times and ways that they can call unfair subsidies. So that's why we've had almost a harassment of our trade into the United States ever since the free trade deal started. We don't have any similar laws here, or very few. We abide by the GATT negotiations.

Okay; I'll wind it up because I understand you don't really believe this is tied. But I say to you that all this money, this billion dollars or so that we've put into irrigation in Alberta to help the farmers of southern Alberta, could well be considered unfair subsidies when we try to sell our products into the United States under the present arrangements, and I don't see any negotiations going on that will ease that off. If this minister doesn't recognize that paradox in government policy of putting money into products and then making a deal that may subvert the benefit of that subsidy, then she'd better stop and examine where this government's going.

MRS. McCLELLAN: I'd just like to make a brief comment, because I will try and restrict my comments to the estimates that are before us. I would dearly like to debate the free trade agreement, but I would like to explain to the hon. member that the rehabilitation program is for the rehabilitation of canals in an irrigation district. The money that is put into this program is put in on a matching basis with the districts, and the matching program has been designed on what we consider the value to the province and the value to the system that the producer's use.

I would also like to sort of help the hon. member understand irrigation. Irrigation farmers or users pay water rates for the use of that water. So it is a very small portion of the cost, and as has been pointed out, whether we have a free trade agreement or whether we don't or under the free trade agreement, there was never anything ever said that there would not be counter-actable actions. But through the agreement we have a mechanism for settling those, and I think after one year, barely one year, of that agreement being in place, with accuracy one would have a problem finding a lot of difficulties for agriculture under that agreement.

MR. FOX: Tell that to the hog producers.

MRS. McCLELLAN: That's one action, and it has not been proven. We're not debating the hog industry here, but I would remind you that the action has to be proven; they have to prove hurt.

We're better under that agreement, so on this specific, just for the member's assistance, it is on a formula and it is only a portion that we pay, and the water users pay the other.

MR. DEPUTY CHAIRMAN: The Member . . .

MR. McEACHERN: I'd just try to make comments in rebuttal.

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. It's your caucus, but the Member for Vegreville was next.

MR. FOX: I forgot what I was going to say.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway.

MR. McEACHERN: I just wanted to say to the minister, in case she thinks this isn't a serious problem, that the Deputy Prime Minister of Canada said that we expected fewer hassles because of the free trade deal with the United States, but we appear to be getting more U.S. countervail actions that are in fact tantamount to harassment. He went on to say that it's something like a trade war, which seems to be intensifying. So make no mistake; there is trouble there.

MR. DEPUTY CHAIRMAN: The Chair would just like to make a comment on this whole matter of the free trade agreement and irrigation. I think the point that the Member for Edmonton-Kingsway started with, which was whether or not this is a substantial subsidy that might affect the agreement, was relevant and it's been developed. But we will not have a full-blown free trade debate here.

The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I appreciate the minister's brief response on the suggestions I made about amalgamating the expenditure . . . [interjection] Beg your pardon, Member for Lacombe?

MR. MOORE: I just thought you'd remember . . .

MR. DEPUTY CHAIRMAN: Order. Please proceed.

MR. FOX: But I'd like know what her position is on whether or not the Department of Agriculture should take full responsibility for irrigation programs, both the rehabilitation of systems and the headworks program that's currently under the Department of the Environment. I followed, I think, what she was saying about it, but I'm not clear on what her position is. Is she advocating that those responsibilities be combined in, you know, the responsibility of the Department of Agriculture and taken away from the Department of the Environment? I don't mean to suggest that we trust her more than we trust Ralph, but I think it's appropriate in terms of who advocates for what, and I'd like to know what her position is on that.

MR. DEPUTY CHAIRMAN: Does the minister wish to respond? If not, we . . .

MRS. McCLELLAN: I think, Mr. Chairman, I'll make a brief response. I did respond. I mentioned that the Environment headworks program is in a term and will be winding down – about five years left in the program, I believe, and that debate will probably be looked at. I think I also commented – and I guess these are my thoughts on it for the length of time I've been involved in the portfolio – that Agriculture has been involved in the program in the conveyance of water to the primary producer. These are things we will have to look at. Certainly the headworks program does more than carry water to the primary producers. It does offer the supply for villages, cities, towns, and so on. So I think that's an ongoing debate and one I'm sure we will carry forward.

MR. DEPUTY CHAIRMAN: Ready for the question?

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'm wondering if the minister can tell us, then, with the amount of money that's been spent on this program, vote 2, to date, what percentage of the total canal system has been rehabilitated, how much is left to do, and once we've gone through the whole thing once, do we start again? I'm interested in knowing how far along we are with this program. I believe I asked this question last year as well. Is the \$25 million proposed to be spent this year, next year, last year, a basic maintenance amount that we can count on having to spend year after year to keep the basic system maintained and up to date, or is it a relatively heavier amount of expenditure required to bring the entire system up to snuff, and then we'll be faced with relatively lower costs from that point on? Just what's the state of the progress of this program at this point?

MRS. McCLELLAN: The program to March 31, 1990, would be \$287 million in total through this rehab program. The irrigation districts, I might say, have contributed beyond that because of their proportionment. I believe – and I will give you this accurately with the figures – that we are somewhere about 40 percent complete, but that is within the definition of completion that we have under the program. So we are looking at the long-term future of the program and what might occur on that basis. But that is what has been spent and about the percentage that is complete. I will give you a more complete answer with the figures, but it's close to time.

MR. DEPUTY CHAIRMAN: Move that the committee rise and report? Would you do it?

MR. STEWART: Mr. Chairman, I move that the committee now rise and report and request leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SPEAKER: Order please.

MR. JONSON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows.

Agriculture: \$5,000,000 for Farming for the Future.

We request leave to sit again.

MR. SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

[At 12:59 p.m. the House adjourned to Monday at 2:30 p.m.]

