

Legislative Assembly of Alberta

Title: **Thursday, April 11, 1991**

8:00 p.m.

Date: 91/04/11

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: It now being 8 o'clock in the afternoon, the Committee of Supply will come to order.

head: **Main Estimates 1991-92**

Agriculture

MR. CHAIRMAN: The estimates of the Department of Agriculture are to be found commencing on page 31 of the main estimates book and, for the elements, page 5 of the elements book.

I've been advised that the ministers of Agriculture will introduce the estimates. Therefore, I call upon the Minister of Agriculture first.

MR. ISLEY: Thank you, Mr. Chairman. I and the associate minister look forward to comments and questions about our proposed expenditures for the 1991-92 fiscal year.

I wish to take this opportunity to welcome the many departmental staff who are here with us today in the members' gallery and to acknowledge the dedicated service of all staff in the Department of Agriculture.

MR. TAYLOR: How far did they have to drive in?

MR. ISLEY: Quite some distance.

Before we take questions, I'd like to make a few general comments. The government of Alberta is committed to maintaining agriculture as a primary source of economic strength. It is our intent to help the industry enhance its confidence, self-reliance, and competitiveness so it can successfully meet the challenges of the future.

Overall, the Agriculture estimates that we are dealing with here tonight will rise 11 percent over last year. The increase is largely due to Alberta's participation in the gross revenue insurance plan . . .

MR. CHAIRMAN: Order in the committee, please. The Chair would like to hear what the minister is saying.

MR. ISLEY: . . . or GRIP, a safety net which provides crop insurance and revenue protection to grain and oilseed producers. The program will provide more stability to farmers who have lately been hit hard by depressed commodity prices and poor weather. The introduction of GRIP should reduce the government's need to provide ad hoc type assistance programs, which have been necessary in recent years. One such program was the 1988 crop drought insurance program, introduced to offset low incomes resulting from 1988's severe drought. This year Alberta expends \$13 million, the second and final installment of its commitment to the program. As you will recall, Alberta agreed to reimburse the federal government over a two-year period for 25 percent of the benefits distributed to Alberta farmers. Alberta's contribution will total \$25.5 million.

Last year the Canada/Alberta farm income assistance program also helped offset low commodity prices, this time for the 1990 crop year. Alberta added \$11 million to the federal govern-

ment's commitment of \$89 million, for a total assistance package of almost \$100 million.

The budget also provides \$31 million for a nine-month extension of the Crow benefit offset program. In the fall of 1990 Alberta Agriculture released a discussion paper entitled *Freedom to Choose*, wholeheartedly embraced by the Member for Vegreville, which produces a bond-type payout for the Crow benefit. We feel that a change in the method of payment of the Crow benefit is vital to the development of value-added industry in this province. The transportation issue will be a main agenda item at the federal/provincial Agriculture ministers' meeting being held in July in Kananaskis. It is our hope to have a decision on this issue by the end of the calendar year.

Mr. Chairman, it is worthy to note that some familiar programs have recently ended or are in the process of winding down. Since 1986 the Alberta farm credit stability program provided 2 and a half billion dollars in long-term credit at a fixed 9 percent rate and substantially reduced the cost of credit to Alberta producers. As well, the Canada/Alberta Agricultural Processing Marketing Agreement is approaching the end of its five-year mandate and consequently shows a 4 and a half million dollar reduction. Since its introduction in 1986, APMA has assisted 445 projects in all areas of agricultural processing. Both of these programs have successfully accomplished their objectives and have helped agriculture diversify and move forward in a significant way. Realizing the potential for growth in food processing, the province is eagerly negotiating a new processing and marketing agreement with the federal government.

The tripartite stabilization programs for red meat, beans, sugar beets, and honey remain a staple of agricultural programming and help producers cope with income fluctuations resulting from price changes in the domestic and international marketplaces. The red meat stabilization program shows an increase of \$3.2 million because of an increase in premium rates and the number of animals registered in the program. However, provincial contributions, especially crop stabilization, will decrease by \$46,000 due to drops in production and premium levels.

Our commitment to assisting farmers to cope with the rising costs of inputs remains strong in 1991-92. The farm fertilizer price protection plan will be extended to July 31, 1991, and provides 17 and a half million dollars to reduce the cost of fertilizers. The Treasury's Alberta farm fuel distribution allowance together with provincial fuel tax exemptions will provide \$133 million in benefits.

While grain and cattle remain the foundation of agriculture in Alberta, the industry is rapidly diversifying into new areas. In addition to stabilizing the production sector and encouraging value-adding, the department is placing greater emphasis on market development. Ministerial trade missions together with ongoing departmental initiatives have been successful in generating demands for Alberta commodities, foodstuffs, and services in markets around the world. This year we have designated \$1 million of our base project to help promote Alberta beef in the newly liberalized Japanese marketplace. Beef sales to Japan have climbed dramatically in recent years and are expected to rise even further under a more liberalized regime. The future prosperity of agriculture rests on the ability of our products to gain access to foreign markets. The Trade Policy Secretariat budget shows an increase of almost 12 percent to allow the department to continue to directly participate in the GATT negotiations and other multilateral trade negotiations.

Before I close, Mr. Chairman, I'd like to make some comments with respect to the Agricultural Development Corporation. The purpose of vote 6, Agricultural Development Lending

Assistance, is to fund interest assistance provided to ADC clients and to provide for the operating expenses of the corporation. ADC's objective is to foster development of viable farming and agribusiness operations in Alberta through the productive use of the financial advisory tools which the corporation makes available to its clients. This year's program calls for \$70 million, which is a reduction of 10 percent from last year. Most of the reduction is in lower provisions for bad debts. Our government continues to give high priority to the agrifood sector. Our commitment to agriculture is evidenced by the significant financial support provided to farmers through programs delivered by the Ag Development Corporation and the Department of Agriculture.

ADC's services include loan programs which are customized to meet the needs of farmers and agribusinesses as well as counseling and, in particular, financial counseling. The corporation's programs include loans and guarantees for beginning and developing farmers as well as for agribusiness. A vendor mortgage plan was announced in 1990 to help younger farmers take over the operations of retiring farmers. ADC also delivers the disaster assistance programs which our government implemented in the past two years. These disaster programs assisted many farmers in the northwest and western parts of Alberta who experienced losses due to excessive rains in 1989 and 1990. We are continuing to provide help to a substantial number of southeastern Alberta farmers who have suffered losses due to years of drought. This disaster assistance is funded through public safety services.

ADC's programs are designed to provide loans to farmers, particularly beginning farmers, at interest rates which help these farmers get started in their farming careers. Part of the Ag Development Corporation's revenue comes from government funding, but the majority comes from interest paid by borrowers. Over the past year the corporation has continued working out problem accounts to try to keep as many people on the farm as possible. At the same time, accounts are being monitored to ensure that most borrowers continue to make payments on time. Over the past years, arrears on accounts over one year have dropped from 6.4 percent to 5 percent. At March 31, 1990, the corporation had 462 quarter sections of land on hand. As at February 28 this year, the corporation had approximately 270 quarters on hand. About 50 of these have offers pending, leaving a net portfolio of 220 quarter sections available for sale.

Of the \$70 million requested in vote 6 for the current year, \$36.2 million is for net interest assistance, primarily beginning farmers, who pay 6 percent for the first five years of their loan and 9 percent for the balance of the term. Carrying costs on properties returned to ADC will be \$1.4 million. Operating costs will be up \$1,092,000 to \$11.9 million, principally due to the costs of field automation to improve client service. Provision for bad debts is estimated at \$20.5 million, down \$11.4 million from last year, which we are hopeful will be a continuing trend.

8:10

Under its regular direct lending programs, ADC estimates that it will lend \$85 million in the current year. This represents approximately 900 loans to farmers for a total of \$70 million and 40 loans to agribusiness totaling \$15 million. In addition, we estimate that ADC will guarantee a further \$118 million of loans through financial institutions and vendor mortgages. Disaster assistance will be provided to about 2,500 farmers in the current budget year. I'm very pleased to be a part of this substantial commitment to our province's agriculture sector.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. associate minister.

MRS. McCLELLAN: Thank you, Mr. Chairman. I, too, appreciate the opportunity to discuss our department's proposed expenditures for the 1991-92 fiscal year.

As the minister noted, the revenue protection program represents the most significant new expenditure in our budget estimates. The program will be administered by our Alberta Hail and Crop Insurance Corporation, hence the 103 percent increase in the corporation's budget. Like the improvements that were made to the all-risk crop insurance program last year, the revenue protection program was developed by farmers for farmers. Each spring farmers will be able to calculate a targeted revenue based on yield and price projections and be assured of a base income. This information will allow producers to plan with greater confidence and help them to secure operating lines of credit from their banks. Producers have four options this year: they can buy crop insurance only, they can buy the revenue protection option, they can buy both, or they can choose to take neither. Every effort was made in the development of this program to keep the producers' premium costs as low as possible. For the revenue protection option, the producer pays only one-third of the full cost of the premium. The rest is cost shared by the federal and provincial governments.

It should also be mentioned that Alberta deferred the decision to participate in the net income stabilization account, or NISA, in 1991. NISA encourages farmers to put a percentage of their qualifying sales into a trust account which they can draw from when income levels fall below a predetermined level. While we support the concept of the program, we do have some concerns with its design and feel it should be reviewed to include other commodities besides grains and oilseeds.

The Alberta Hail and Crop Insurance Corporation has also introduced some significant changes to the forage insurance program. Like crop insurance, the program has moved to individual coverage for hay and is now based on acreage eligibility rather than animal unit. Individual insurance for pasture will be phased in over the next two years in southeastern Alberta and will be expanded in the future to the rest of the province.

The minister has already made reference to the excellent staff which this department has in its employ. We are especially proud of our field services staff who work on the front lines to deliver a variety of programs and services to the public, and certainly with the introduction of the revenue insurance program our staff have been challenged again to provide information to our producers.

New funding commitments and budget reductions have forced us to eliminate some positions, most notably in the home design service and the grain certificate program, as well as four second district agriculturalist positions. In each instance the department strove to minimize service disruption to the agricultural community. Those areas affected by staff reductions will be restructured so that their human resources can be used as effectively and efficiently as possible.

As I indicated to the committee last year, agricultural societies and development committees funding is now disbursed through the Lottery Fund. This year the once-in-a-lifetime capital grant program is also transferred to the Lottery Fund. This appears as a 32 percent decrease in funding under vote 3. Again the program has not been terminated but merely transferred. Alberta Agriculture will continue to administer all funding programs related to agricultural societies.

The Canada/Alberta soil conservation initiative is in the second year of its mandate. I would like to commend the many agricultural service boards and producer organizations across the province which help us to promote awareness of soil and water conservation and to transfer new technology to producers. This year's budget shows a 4.5 percent reduction but still provides over \$4.3 million to support the very exciting conservation initiatives being spearheaded by these groups.

I would draw members' attention to the place mats on their tables tonight, provided by one of our members from the Stanislaw Sandblasters Conservation Society, which won an award for their efforts in conservation last year from the Alberta Conservation Tillage Society. These projects are funded by our CASCI and our CARTT programs.

The minister mentioned earlier the degree to which diversification is occurring in primary production. Much of the crop diversification is made possible by irrigation. I would like to inform the committee that the irrigation districts and department officials have concluded a very productive year of discussions regarding the funding for that program, the details of which will be discussed in our Alberta Heritage Savings Trust Fund estimates later. Last year amendments to the Irrigation Act were passed, which provided the authority to implement the Irrigation Appeal Tribunal. The tribunal will hear grievances between water users and irrigation districts. An amount of \$114,000 has been budgeted to operate the tribunal.

The Alberta Agricultural Research Institute, established in 1987, continues to oversee and co-ordinate agricultural research in this province. The AARI and the Farming for the Future program were recently merged to streamline administration and enhance co-ordination. Budget reductions have necessitated a 10 percent decrease in Alberta Agricultural Research Institute funding. Members should keep in mind that this amount represents only one component of agricultural research funding. The Alberta Heritage Savings Trust Fund provides a further \$5 million to the Farming for the Future program in addition to funding provided through the federal government's Western Diversification Office. Later this year we will be carrying forward a proposal to renew and strengthen our commitment to agricultural research, as the mandates for Farming for the Future and AARI are scheduled to terminate on March 31 of 1992.

Mr. Chairman, I thank you for the opportunity to make these remarks and look forward to any questions or comments the members might have. Thank you.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. Thank you, hon. ministers, for the brevity of your comments and giving members an opportunity to make some comments about the state of the agricultural industry in rural Alberta today and the budget priorities of the government.

In beginning I would like to, as the associate minister did, draw attention to the place mats provided for all hon. members by the Stanislaw Sandblasters Conservation Society. They're an active group of farmers and agriculturists in the counties of Beaver, Minburn, Two Hills, and Lamont, centred around the Stanislaw community centre, working very hard to develop an awareness of the need for conservation agriculture and trying to teach not only farmers but people in the community just what a precious resource our soil is. At the request of the conservation society, urban members have been provided with little note pads, and rural members have been provided with a surface residue

control chart that they can stick on their tractor so they know just what sort of trash management you can accomplish with different types of implements. So a gift to members from this important group during Soil Conservation Week, and I hope you appreciate it.

8:20

A related issue I would like to bring to the attention of the ministers: I'd like to know what lobbying they've done, what effort they've put into trying to convince the Minister of Advanced Education and the respective boards of governors at Olds College and the University of Alberta about the mistake they've made by cutting the agricultural engineering program at those institutions. I know that at the University of Alberta, although it's not a large enrollment program – some 40 people are enrolled at any given time in the agricultural engineering portion of the faculty of agriculture – it is a very important program providing substantial service to the agricultural industry in a multitude of ways.

It seems to me that at a time when we're trying to place additional emphasis on conservation, on environmental agriculture, trying to find new ways of preserving our resources and conserving our resources, we need to place extra emphasis on technology to be able to access the expertise that is provided to us by graduates from that program. Certainly with an ever increasing interface, if you will, between urban populations and farmers, we need to find ways of controlling agricultural residue, for an example. I think the engineering community is vital to the ongoing success in the future of agriculture. I'm very disappointed that these programs were cut, and I'd like the ministers to tell us what lobbying, and to what effect, may have taken place with the Minister of Advanced Education and the respective institutions.

Getting into the substance of my remarks, I'd like as well to acknowledge the expertise of not only the people working in the field of agricultural education at the various institutions in our province but also the staff of the Department of Agriculture. I find them without exception to be very helpful and thoughtful people. In spite of direction from the government at times, I think they really do try and work in an impartial way to help rural Albertans develop healthy and prosperous life-styles within the limitations that are before us.

I would like to talk briefly about the staff in the Department of Agriculture. I regretted very much the comments made by the minister when he was trying to show just to what extent he adheres to this Conservative philosophy of decentralization, the comments he made about having some 500 employees left in the city of Edmonton, that he'd be moving half of them out somewhere sometime. My initial reaction to that statement – in fact, I said so to a reporter – was that people who don't think very much, shouldn't think out loud: a reference to the hon. minister. I certainly wouldn't have a bone to pick with the minister if he had a concrete proposal to make; for example, I have 32 employees in this particular section of the Department of Agriculture and I think we can move them to this community in rural Alberta for the following reasons. Then we've got something to analyze and something to deal with and likely something we can support.

I think the way in which it was handled created morale problems in the Department of Agriculture. It gave every one of those 500 employees some reason to be concerned about their futures, some reason to be concerned about whether or not their families would be willing to uproot and move to some unspecified location with them, and indeed gave them some

concern about the future of their jobs because sometimes these Conservative decentralization initiatives are nothing more than an excuse for job cutting and program slashing. I think the employees were used as pawns in this sort of brinkmanship between Conservative ministers trying to out-Tory one another.

In terms of decentralization, I think certainly a department like the Department of Agriculture lends itself very well to trying wherever possible to match the people delivering the service to the people requiring the service. If the ministers have got some specific proposals, I'd be more than happy to look at them and may well be the first to pat him or her on the back if either has a legitimate suggestion to make.

I would have to say, Mr. Chairman, because I think it relates to the government's so-called thrust in rural Alberta, that I find the decentralization rhetoric to be rather hollow and phoney. To pretend that they're really committed to rural Alberta and they're going to stem the tide of rural depopulation and help build vital economies in our small communities outside major cities by moving handfuls of government employees hither and yon I think is a little phoney. I think that what rural Albertans really need to hear is that there are some major new job-creation initiatives outside our major cities and we're going to develop on the initiative taken by the Minister of Municipal Affairs and try and find some new and exciting job opportunities in rural Alberta. Indeed, I think I've recommended to the ministers over the years things New Democrats feel should be done in aid of the agricultural sector that would have a much more dramatic effect in terms of revitalizing the rural economy than moving a handful of employees to a given community for a period of time.

So I find the rhetoric to be a little hollow, and it's unfortunate that this issue has become politicized in a way that it's made it difficult for people to really assess the merits of decentralization on a case-by-case basis. I find it somewhat ironic, I should acknowledge at the same time, that the government is talking about this decentralization initiative and how it's going to revitalize rural Alberta on the one hand, and they're working very hard on the other hand to centralize as quickly as possible through various other Conservative initiatives under the rubric of privatization. I refer to AGT and the potential job loss among some 2,500 employees AGT has outside our major cities. I refer to the loss of motor vehicle licence issuing offices in small communities through the Solicitor General's department and centralization through the department of social services. The government can and is doing sort of on the side many things that centralize service and hurt rural Alberta while trying to bring attention to some fairly feeble initiatives on the other. I don't think it's appropriate.

I was not pleased with the announcement of job cuts within the Department of Agriculture. Some 43 positions, I believe, were announced as either redundant or not to be filled. I felt it was premature for the ministers to go around talking about cutting out district agriculturalists. For example, in offices where there were two, many of them would now have one. Some of these people were providing vital and important service to rural Albertans, and here we go cutting the people on the delivery end without making corresponding cuts in the more senior levels of government.

The most ludicrous example of all, I think, was the 33 and a third percent cut made to the farm safety program. I might remind hon. members that there are three employees in the farm safety program, a very good program that was developed some years ago. They've been active in schools in the province and with farm organizations and community organizations to try and

develop an awareness of the hazards of this profession and an awareness of safety procedures so we can save the Minister of Health considerable dollars in terms of serious accidents and injuries to farmers and their children. I found the cut of the farm accident investigator to be very shortsighted. Well, the position was cut according to the announcement, hon. minister. You might want to contradict that, if you will. But looking at these staff cuts, they have to be compared with the stubborn refusal of the Premier, the number one rural Albertan, and indeed his ministers to start cutting at the top. I would expect someone as dedicated to the Premier and his mission as the Minister of Agriculture would have volunteered to resign as Minister of Agriculture, recognizing that we don't need two ministers of Agriculture. This is something I've raised year after year after year after year.

I can assure the Assembly that it's a department that could be sufficiently handled by one minister, and \$250,000-plus for the associate minister's office, I believe, is money that could be saved and put into delivery, saving some of these job cuts, saving some of these important programs that actually deliver service to rural Albertans rather than providing employment for Conservative MLAs. So I don't think it's set a very good example for these ministers to be part of what is one of the largest cabinets in Canada at a time when we're trying to control costs. When we're preaching restraint and job cuts to average people, here they are with a lot of waste and extravagance in the top level of the minister's offices. I don't support that at all. I think one minister is enough. You've got a very competent deputy minister, some good assistant deputy ministers, and I think we could certainly run the department adequately that way.

8:30

Some other cuts that I would recommend to the minister – because it's not enough for me to be advocating spending more money in farming; I've got to recommend ways that we can save money as well – would be to get rid of the Alberta Grain Commission. Maybe in deflecting this criticism, the ministers might want to tell us what the heck the Alberta Grain Commission does to justify the money that's spent on it every year. I can tell you that my impression is that it exists for three reasons. The first and most important reason seems to be to provide employment for either current or former Tory MLAs. Certainly the former Member for Stettler is a good example of that. It seems to have as another purpose trying to do everything it can to run down and downgrade the potential of an ethanol industry in the province of Alberta in spite of ample evidence to the contrary in all sorts of other jurisdictions. The people who have worked in the past for the Alberta Grain Commission seem intent on promoting this oil industry government's line about ethanol and how it can't work even though it's booming everywhere else.

The other objective of the Alberta Grain Commission seems to be to work with this government to undermine the effective operation of the Canadian Wheat Board. I see it all as part of an initiative that grew out of the Lougheed era, when Lougheed was going to make Alberta an international player, compete with the government of Canada, compete with the Canadian Wheat Board, establish an Alberta Grain Commission because there's a Canadian Grain Commission, and get into all these sorts of things that I think are counterproductive and wasting money. So I'd appreciate the ministers trying to defend the amount of money we spend on the Alberta Grain Commission.

In terms of some of the initiatives the minister alluded to and was bragging about that they've been responsible for and

involved in over the past year, I should allude briefly to the Freedom to Choose document. I found it most interesting during the fall session to hear the ministers of Agriculture stand up and tout the Freedom to Choose document as sort of the new messiah in rural Alberta. Recognizing that free trade hadn't lived up to its advance billing, Freedom to Choose was now what we needed to provide stability in the agricultural sector, pave the streets of rural Alberta with gold; all you have to do is adopt Freedom to Choose. It didn't matter what question we asked the ministers in question period, whether it was about the development of an ethanol industry, about the need for a deficiency payment for farmers whose incomes were dropping, the answer was always the same: you've got to adopt Freedom to Choose.

Well, it came time to attend farm conventions this winter. I was there at the Uniform convention when the minister backpedaled so quickly that I thought he was going to fall over and break his leg when he got up and was trying to deflect the criticism that was heaped upon him and this program from delegates at the convention there. I gather he went through the same experience at the Wheat Pool convention. He said: this is not the position of the government; this is not the position of Alberta Agriculture; this is merely a discussion paper, something we're putting forward for your consideration. I thought: well, that's a far cry from the almost mandatory aspect he was ascribing to it in the fall session.

We've now got a new generation Freedom to Choose document, and I gather the response was not much better at the meeting the minister attended in Red Deer last week with delegates and directors of the Alberta Wheat Pool. This party has remained steadfast in their support of the current method of payment in spite of its flaws. We believe the alternatives are vastly overrated and the benefits vastly overrated and the potential long-term harm virtually ignored by the minister in terms of dilution, in terms of the eventual loss of the program.

I find it most ironic that a minister who himself has said he would like to see the Crow benefit eliminated altogether is spending so much time trying to develop a proposal that he thinks would be sort of the cat's meow for the method of payment. He's said that he wants it eliminated. It's him and the Conservative governments both here and in Ottawa that have identified that as a transportation subsidy in the context of the GATT negotiations in Europe. They never talk about the amount of public money that goes into maintaining the Mississippi waterway in the United States, and somehow they're willing to sacrifice this program. I find the Freedom to Choose thing to be too little, too late, a proposal that's not meeting with good response in a lot of the farming community. Perhaps the minister would answer one question: where on earth does he think the federal government's going to come up with \$7 billion or \$8 billion to buy these bonds that he treasures? Where are they going to get that money? What commitment does he have from them to provide that money? I'd like to know.

The other thing the minister was alluding to in terms of farm finance was the end of the farm credit stability program in the province. I raised this with the minister in the fall session of the Legislature, and he said that the need no longer existed, that the program had fulfilled its mandate and wasn't needed any more. Well, at the time he made that statement, there were some 1,000 farm families whose names were on the waiting list hoping to access this important program. The Minister of Economic Development and Trade, who was Minister of Agriculture when this program was brought in, should recognize that this member and this party supported that program. In spite of the fact that

you wouldn't accept our amendments, we supported it, but we have an obligation to try and make it better.

The \$2.5 billion that was committed to the program has indeed been lent, but I'd like to point out to the ministers that some of it has been paid back, and if they want to really make a commitment to controlling the financing costs of a vulnerable sector like agriculture, we can turn this into a revolving program that would provide loans on an ongoing basis to eligible people in the agricultural sector by having a \$2.5 billion loan cap and making new funds available as they're paid out.

How could it be funded? Well, we've recommended ways before about how money could be saved in the administration of this program. I think there is a sweetheart deal with the banks. The government, because they're very afraid of dealing in a strong and resolute way with the private sector, didn't negotiate a good deal with the banks. They make \$40 million to \$50 million in excess of what is required to administer the farm credit stability program. We believe that that money should be saved by running it through the ADC and plowing that money back into program enhancements like making the farm credit stability program into a revolving fund.

As well, we want to recommend to the minister that they take a serious look at program enhancements for the beginning farmer loan program. The current program, we think, is helpful, but there are problems with it. Six percent for five years is helpful, but at the end of five years, which is not enough time to get established, you're confronted with a 50 percent increase in your interest obligations: 6 percent to 9 percent. With price instability I think it's difficult. So we've recommended a 3-6-9 program that I think would provide upfront benefit for a majority of young producers who are eligible in an effort to encourage more young people into this vital industry in Alberta: 3 percent interest on the first \$100,000 for five years, 6 percent on the second \$100,000 for the first five years, and then over the next five years a very gently sliding scale increase on these interest rates so they reach the 9 percent level after a period of five years. I think it's a good program, easy to implement, and I'd like to know why the ministers refuse to pay attention to this good idea.

They've implemented so many of our other good ideas. I refer to the Seniors Advisory Council for Alberta Act, that the Premier photocopied from the Member for Edmonton-Centre and introduced as his own this year. I refer to the Minister of Health bragging about this great new initiative for a northern Alberta children's health care system, a virtual carbon copy of the proposal made by the Member for Edmonton-Centre and the New Democrats three years ago. So the government's not immune to taking our good ideas. I wish they'd take the one about the 3-6-9 interest rate program.

I need to talk before I run out of time here about the major new commitment the government's alluding to with GRIP and NISA. If I may dispense with NISA very quickly, I'm glad the ministers have not made a commitment to the net income stabilization account. In my view, it is pretty much nothing more than a taxpayer-subsidized savings account for farmers who can afford it, and frankly not very many can. I don't know many farmers who have spare money to put in a savings account, and I'm not really keen on that program.

8:40

In terms of the GRIP program, the ministers have to recognize that there is substantial concern and opposition to this program in the farming community. The Minister of Agriculture alluded in question period to the fact that the Alberta Wheat

Pool had some input into the development of the program; that's true. But at the meeting of the Alberta Wheat Pool delegates and directors last week I encountered, the Member for West Yellowhead encountered, and I'm confident that the Minister of Agriculture encountered as well, comments from delegates saying: the farmers we've talked to at our district meetings, our committee meetings are concerned; they're opposed to this program; we suspect the sign-up is going to be very low. The big concern with the program is that it guarantees steadily reducing incomes for farmers at a time when their costs are going up. This 15-year, indexed, moving average price guarantees that you'll be getting less and less and less over these very vital next few years, because next year they're going to drop off the good 1976 price, add in the weak 1990 price. You're guaranteed prices will be lower. Correspondingly, the next year they'll be lower yet. So farmers are being asked to buy into a program, an expensive program, I might add, that guarantees them steadily reducing incomes over the next period of years.

What's the minister done? Before he has any idea whether farmers are going to sign up for that program, what percentage of farmers are supporting the program, before he's made any attempt to try and make the program better and more receptive to farmers, he's acceded to the wishes of the Provincial Treasurer and either slashed dramatically or outright eliminated some important programs of support to agriculture. He alluded to the fertilizer price protection plan: gone after this year. The farm fuel distribution allowance: again, dramatic cuts in a nonelection year to this program, which is the favourite political football of this Conservative government. Two important programs of support for farmers in Alberta have been cut by this government. Farmers' costs, as a result, will be increased in exchange for a program that guarantees their incomes will be reduced. Well, I submit that that puts farmers in an untenable situation, and the minister was too hasty in terms of volunteering these important programs of support for Alberta agriculture to the chopping block for the Provincial Treasurer. He should put a little more effort into trying to respond to the concerns expressed by farmers about the GRIP program and the various inadequacies of that program.

The other thing that really concerns me, and I've not been able to get it through the heads of the members opposite: this Conservative government, hand in hand with the new Reform Party, has as a policy objective getting rid of programs of support to agriculture. They want to get rid of these programs of support. The minister talks about the Crow benefit, the farm credit stability program, the farm fuel distribution allowance. I would not argue with that strategy if we were working equally hard on the other hand to create programs, to help farmers develop programs that would see them be paid fairly in the marketplace for what they produce. There isn't a farmer in this province who wouldn't gladly give up subsidies to agriculture if he or she could be paid fairly for what they produce in the marketplace. We've had limited success developing programs like that, and every one of them has been under constant attack by the Conservative governments in Ottawa and Edmonton. I refer to changes made to the Canadian Wheat Board and attacks made on the Canadian Dairy Commission, the Egg Marketing Agency, et cetera, et cetera, as a result of the free trade agreement and the GATT negotiations at the international level.

Again I submit that the Conservative/Reform axis is putting farmers between a rock and a hard place, because on the one hand, you're saying, "We're going to pull the support rug out from underneath your feet" and, on the other hand, "We're going to leave you exposed to this mythical free market," which

has never worked to the benefit of farmers. Anytime that farmers seek to join together to exercise collective strength in the marketplace, this government bucks their efforts; this government tries to undermine their efforts and tries to work against them. I find that most unacceptable, and I wish the ministers would get their act together on that one.

I'd like to emphasize before my time runs out here tonight that there is a very great need for this government to lobby for and participate with the federal government in a deficiency payment for producers this spring. Net farm income in Alberta dropped dramatically last year, somewhere in the neighbourhood of 50 percent, and is projected to decline this year somewhere in the neighbourhood of 50 percent. I don't want to quibble with numbers because the minister gets hung up on them, but the fact is that it's dramatic. It's mostly a result of conditions in the grain and oilseed sector.

Some of the causes. I referred to problems caused in this sector. Dollars taken out of the pockets of farmers by Conservative government initiatives to get rid of the two-price program for wheat, to take oats away from the Canadian Wheat Board, to destroy the interest-free cash advance program, their insistence on getting rid of the farm fuel distribution allowance program over time: all of these things are Conservative initiatives. All of these things take dollars out of the pockets of grain and oilseed producers in the province of Alberta, contribute to dramatically declining net farm income. And what does the minister say? Well, he says on TV that there are not many problems in agriculture, but he also says: don't you worry; GRIP is bankable. This is Honest Ernie's favourite new line: GRIP is bankable. You don't need a deficiency payment. Go to the bank and borrow more money, because you've got GRIP.

Well, even if it were a good program that farmers liked, GRIP is at least a year from delivering support to producers. What do they do in the meantime? What do they do to buy seed, to buy fuel, to buy fertilizer, to pay rent, to do all these things? Mr. Minister, there are problems out there. I get farmers phoning me daily who are not just frustrated; they're really worried about their futures. The government's got to respond. Any hope offered by the GATT negotiations is years away. The minister's got to respond with more than "Don't worry; be happy," which is his usual refrain.

My colleague the Member for Edmonton-Jasper Place is going to address in his comments some other issues of concern to agriculture. I'm running out of time here.

I would like to acknowledge that I was at the Alberta Pork Producers' Development Corporation banquet last night. It was a great banquet. I'm really distressed with the constant attacks on this producer organization by the Conservative government and their right hand the Agricultural Products Marketing Council. I think there's been unwarranted interference in the operation of this producer-elected and producer-run board. I acknowledge that there are problems in the industry. I acknowledge that there's controversy in the industry. But I submit that a lot of it was caused by unwarranted interference time and time again by this government in the red meat industry, and not just the pork sector but the beef sector.

A number of concerns were expressed to me at the meeting yesterday. Some of the members from the district that I'm in asked me to present this little chocolate piggy to the minister. He wasn't able to be there last night. I did manage to save it. I'd ask one of the pages to take this over to the Minister of Agriculture, compliments of the delegates from district 5. On a silver platter, Mr. Minister.

AN HON. MEMBER: You need two of them.

MR. FOX: No. They like the other minister. It's the Minister of Agriculture they're not too keen on. They're so upset with the Minister of Agriculture that they were even telling me that the former Minister of Agriculture is starting to look to them like he was doing a good job. Now, that's probably before they had a chance to witness his expertise as applied to loan guarantees and business development in the province of Alberta.

They're not real happy with this Minister of Agriculture. I think he needs to recognize that and stand up and start to advocate for the pork producers, do what he can to encourage producers to work together to find solutions rather than the heavy hand of government coming in and imposing solutions through their marketing council on these producers. I await with bated breath the response of the ministers of Agriculture.

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon. Oh, sorry. The hon. Minister of Agriculture.

MR. ISLEY: I wouldn't want the hon. Member for Vegreville to hold his breath too long. I do have a few points I want to respond to.

I can't help but sit here in amazement and hear the hon. Member for Vegreville being anti decentralization and government activities to revitalize rural Alberta. The last time I checked, the primary community in his riding would probably drop by 40 percent if you pulled the government out. The community of Vegreville grew as a result of decentralization policies of the Conservative government. He sits there and enjoys that balance and stability that that public sector payroll brings to his home community, but he says to the rest of the province: you can't enjoy any of that. [interjection]

His bleeding concern – are you listening, hon. member? – for the feelings of the staff in the Department of Agriculture because all of a sudden they were aware of a decentralization discussion before they had all the facts: let's go back and remember who leaked a certain memo to the press very quickly. The ND Party of Alberta. There was certainly no announcement made by this government or this minister or this associate minister. I detect a little hypocrisy there.

8:50

With respect to job cuts, I think the associate minister has some points to add later.

I'd like to respond to his criticisms of the Alberta Grain Commission and his accusation that it's out to destroy the ethanol industry. I think the Blues will say that that is "booming everywhere else." My question is where? Where is it booming?

MR. FOX: In Manitoba, in Saskatchewan, the United States.

MR. ISLEY: Manitoba, with a direct government subsidy of 35 cents per litre, has one plant. Saskatchewan, with a direct subsidy of 40 cents per litre, has one plant under construction. You know, I'm all for an ethanol industry, but I don't think we can have an ethanol industry based upon ongoing subsidies. I'm glad he recognized that a change in the method of payment will contribute somewhat to the economic viability of that industry, and if you believe in that industry, you should be walking right beside us on Freedom to Choose.

The Alberta Grain Commission trying to undermine the Canadian Wheat Board. The Alberta Grain Commission nor this minister nor this department nor this government has ever

said that there should not be a Canadian Wheat Board. We have suggested that the Canadian Wheat Board, like every other organization, has to move and adjust to the realities of time, and they have to make certain adaptations if our farmers are going to take full advantage of the free trade agreement. I think the first and most important move they could make to recognize the realities of the '90s is declaring North America a domestic marketplace.

What else does the Alberta Grain Commission do? It provides a lot of assistance to farmers that are interested in getting involved in their own marketing. It provides them ongoing market information. It's doing a tremendous amount of work in promoting method of change, efficiencies in transportation, efficiencies in grain handling.

I have to suggest with respect to the change in the method of payment that the hon. member and his party opposite have their heads in the sand. If they knew what was going on in this world, they would know that – let's assume that we don't get any kind of a GATT agreement. Since 1982, when we froze the level of government support to moving export grain, the farmers' share has moved up to roughly \$10 to \$11 a tonne, in eight short years. If it does that in another eight short years, by the year 2000 the federal government will pay \$21 a tonne to the railway to maintain our current inefficient system and the farmer will pay another \$20 a tonne. What will he be doing by the year 2010? So let's get our head out of the sand. The current system is working against our farming population.

If we get a GATT agreement even equivalent to the Canadian proposal and if we get the payment to the railway classified orange, which they hope it will be – they say it's an internal support program – in 10 years we've got to give up 50 percent of it. If we don't change anything to bring about efficiencies to bring some benefits back, again our export industry goes this way. If it's classified as red, which I'm sure it will be after being in Geneva and listening to all our trade partners – even the members of the Cairns group smile at you when you say that's an internal support program. They say: hey, it's nothing but an export enhancement program, because its only purpose is assisting and moving grain to port positions; it's got nothing to do with internal support.

I don't recall backtracking at the Unifarm meeting. I've said since we put Freedom to Choose out that this is not the position of the Alberta government. The position of the Alberta government is a change in the method of payment: pay the producer. This is a proposal developed by Alberta Agriculture as a way of doing it. If you can pick holes in it, we're not married to it; we'll modify it. Let's build something better, but let's recognize that the status quo is not acceptable to take us into the next century. We've had a lot of input and a lot of discussion.

We've come out recently with an addendum to Freedom to Choose. Maybe the hon. members opposite should try reading it and understanding it. Certainly some people at Unifarm are concerned about it. Some people in the Alberta Wheat Pool are concerned about it. The Alberta Wheat Pool may not be taking it with open arms.

I participated yesterday in the opening of a grain elevator in Olds, Alberta – capacity 8,000 tonnes; throughput 80,000 tonnes; it will load 50 grain cars in 8 hours – by a another grain company that is saying: change the method of payment so that we can bring some efficiencies to our farmers. I talked to that Alberta Cattle Commission: change the method of payment. The Alberta Pork Producers' Development Corporation, who I've probably talked to, hon. member, more recently than you

have: change the method of payment. The Western Barley Growers: change the method of payment. The Western Canadian Wheat Growers: change the method of payment. And I could name a few more in Alberta. More recently in the province of Manitoba, a new organization called the Manitoba Feed Grain Users, an umbrella group of their cattle people, their hog people, their chicken people, their feed grain growers is saying: yes, we support pay the producer. Things are moving, and unfortunately those who stick their head in the sand and can't recognize that we have to adjust with the times will get left behind, and I suspect that's where the hon. Member for Vegreville will end up.

I think with those points, before I get too carried away, I'd better sit down.

Madam Minister.

MR. CHAIRMAN: Associate Minister.

MRS. McCLELLAN: Thank you, Mr. Chairman. I do want to respond to two or three items. First of all, to the hon. member, I have made my comments, my concerns known to the Minister of Advanced Education on the ag engineering cuts, and rather than just say that we cannot have it cut: is there a way that this program can be accommodated in the university. I do agree that it is important.

I want to thank the member for the acknowledgement of our staff's fine work, and that's about where the compliments might end. I, too, am very, very upset with the member's comments, which I am sure are just there for *Hansard*, to send out to somebody. If you want to talk about decentralization and morale of staff, then you take it to the NDP caucus, that put the memo in the hands of the media. That's how much you care about the staff's feelings. [interjections]

MR. McINNIS: That's a cheap allegation. Prove it.

MRS. McCLELLAN: It isn't a cheap allegation. The media told me who gave it to them when they called me. So that's unfair. [interjections]

MR. CHAIRMAN: Order please. Order in the committee. [interjections] Order.

MRS. McCLELLAN: At any rate, the staff decentralization, the services that are offered by Alberta Agriculture will be offered where they deliver the best service to our agricultural producers. Those will be the decisions that they are made on.

The positions that have had to be cut – and we regret that there have to be any, particularly in the front line. But I would remind members that Alberta Agriculture is largely a programming agency and programs change. It is not responsible to leave positions that are not necessary. I would remind you, also, that we introduced 21 new positions to Alberta Agriculture when we took on the conservation initiatives. Other programs change, and we do change staff. About half of the positions that were changed were in management positions.

Four district agriculturist second positions were changed. They were done in areas where the DA could service the area. We will be monitoring over the course of the year that that service is provided.

The farm safety position. Hon. member, I wish you would really check your information before you put it in print, because it does do our farming community a disservice when they get the wrong information. We did not cut a farm safety investigation

officer. We have two; they are still there. The position that was removed was a statistician and research position, not an investigative position as you were quoted. I thought I had clarified that. It is unfortunate that we had to remove any, but in responsible fiscal restraint that decision was made. Those services will be adjusted within the department, and that service will remain, because the hon. member knows that we support farm safety and have co-operated with many private-sector groups, co-operated with the women of Unifarm on child safety hike, the new keys off program with John Deere this year, and many others. So there is a responsibility from all members in this House when they make comments that they are accurate, and that was not accurate. I would be happy to share that information with the hon. member if he calls my office.

9:00

I have to comment just briefly on free trade, because the hon. member has brought it up before. If the hon. member would check, the increase in Canadian exports in agriculture in 1989 was 13 percent – that's the first year of the agreement – and in 1990 a 23 percent increase in agricultural exports to the U.S. That's since free trade.

I would also like to mention that it was definitely not the ministers of Agriculture for Alberta or for Canada that identified WGTA as a subsidy at GATT, although we were reminded of it. I would also say that we have lobbied hard for the cash-free advances, and they were reinstated last year to our farming producers.

MR. FOX: One year too late.

MRS. McCLELLAN: Well, they were reinstated.

The GRIP program. I think again, hon. member, I would be happy to take some time or have some of my staff take some time to work with you on the understanding of the program. There was a meeting in your area today, and it was fairly positive. I would remind the hon. member that this is a new program. It is a program that was developed by producers for producers. There were 19 producers on the committee of 33. Recognizing that it is a new program, we put it in for one interim year because there may have to be refinements. However, I would also say that we have a responsibility to our producers not to encourage them to produce something that the world does not want to buy, and hence you would have to have an indexing system.

There are a number of reasons that the traditional grains and oilseeds, particularly grains, are in difficulty in the world markets. Wheat is obviously the one that the member is referring to, because it is really the one that obviously will index down. That is because, one, countries that perhaps wish to buy wheat are developing countries and don't have the money or the credit opportunities. I don't believe it's supply, because the supplies are relatively tight. If the world does not want to buy a product, we will not produce it in Alberta. Much better that we in Alberta Agriculture work with our farmers to diversify their operation to introduce new and specialty crops, which we have done with considerable success all over this province. We will continue to do that and to vigorously and aggressively pursue new market opportunities.

I would like to take the 30 minutes that you just spent talking about a few things positive, like market access, the Asian market. I'd like to talk about the private sector in our province that is developing new food products through our Leduc food processing centre. I would like you to understand that 25 percent of the

manufacturing exports in this province come from the food and beverage industry. It is a very substantial industry in this province, committing almost \$5 billion last year to this Alberta economy. That is what Alberta Agriculture should be doing, and that is what Alberta Agriculture will continue to do, not live in the Stone Age as the hon. member might wish to do.

Thank you.

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

MR. TAYLOR: Thank you very much, Mr. Chairman. First, I want to start out, too, by paying tribute to the staff of the Department of Agriculture. Occasionally I call them, and I've always found them most co-operative. Even those times when I'm giving their particular department a little hell, they've always been very nice and very unbiased, I think, and very straightforward.

I actually would compliment the ministers too, Mr. Chairman. I've always given them a bad time in the House, but they answer their letters and their phone calls promptly. The answers don't always make sense, but I do get answers. It's a help with the right direction. I find them very good to communicate with. I won't say how much better than some of the others, and I won't start handing out some prizes.

Now after I've given you some posies, I'm going to start handing out some stinkweed. When you look generally at the budget, I don't think there's any question that you're more or less picking on the grain farmers. They say "agriculture." I notice the Member for Vegreville says the same thing: agriculture, agriculture. Maybe we're all guilty of that, but agriculture is probably one of the most broad-based, complex sectors of our economy going. You can have one part of it booming, another one way down. That's not only to do with weather; it's to do with markets. I sometimes think we have a tendency. We talk, "Well, the farmer says this, the farmer wants that." It's no more a farmer wanting this or that than you can say that a businessman wants this or a businessman wants that. You can maybe say an oilman or a grain raiser or a pig raiser or a sheep raiser wants this or that, but just to say "farmers" is such a broad term.

When I look through this budget, Mr. Chairman, I think there is no question that the sector that's got it in the neck is the grain and oilseeds sector. That's the sector that's having troubles. Now, I know my friend from Vegreville would like to have supply management for every form of agriculture around, and we do have it a lot. The supply management people are doing quite well. Consequently, as is usual with the NDP, they add two and two and come up with five. They say, "Well, heck, if the dairy industry and the chicken industry are doing well, therefore we'll use the same industry for grain." The point is that in grain 70 percent of our markets are export. There's no way, unless we can talk Saddam Hussein and the British and American armies into it, that we're going to force the rest of the world to go into a supply management situation.

So our grain farmers have to be lean and mean. What happened? They seem to me to have been shafted by this government. There is no question, for instance, that grain producers, which are the ones that are in the most trouble, use more fuel per dollar of gross revenue that they generate than any other form of farming does. Yet what do we have? We take down the fuel assistance. We stripped them of \$50 million in fuel assistance. We stripped them of \$20 million in fertilizer. Now, I'll admit that they irrigate, and some of our northern farmers use as much fertilizer per acre as a grain farmer, so there's no particular discrimination, although grain farmers do

use quite a little fertilizer. What we have when you look at the system of financing is the money that we're putting out to grain farmers in southeast Alberta and those in the drought area going out through the ADC rather than directly from the government. Well, I don't see the sense of putting aid through what should be a financial organization that is lending money. What we're getting, what I'm hearing from the reports that are coming back in here, is that they're more or less dropping around, the farmers when they come in there, and telling them that if the farmer can prove that he doesn't need it, he might get it.

9:10

I had a humorous call the other day, and I'm going to relay it to the minister. There was a farmer from the Champion area that had gone in to apply through this loan program. He paid about \$800 for accountants and that to get all the figures in. After he'd finished putting it through, after waiting nearly a month for answers, and repeated phone calls, the Agricultural Development Corporation said well no, they couldn't loan it to him; he didn't have the assets there. It didn't come out to it. He thought he'd go out and get some independent evaluations, and independent evaluations did increase his assets. So he reapplied. Three weeks of back and forth phone calls and waiting. Now they've come back and told him that he's so well off he doesn't need them. This is the same farmer. In four weeks' time the bureaucracy that the minister's in charge of has told him that he didn't qualify, then when he reapplied, that he was too rich and he couldn't get the money. So obviously it's a scheme that's not working. Well, I suppose it's a little bit like the artillery, for those of you who were in the army. If your first shot falls short and your next one goes too far, you've got to come back and try to bracket it in the middle. If he can come back and get his wife to apply or somebody with a different name, he might hit it.

While we're on that, I might also mention that I'd be interested if the ministers would finally screw up the courage and answer me as to what ADC is going to do on farm wives and loans. They have consistently ignored the fact that the farm wife is often a full partner with her own land title and said, "No, no; when it comes to farm loans we treat you as one economic unit and do not allow the two." Whereas if the farmer had his brother or his brother-in-law or boyfriend or something like that as a partner, they'd get double. If he's foolish enough to get married and settle down and the old girl has her own title and everything else there: no, no; only one loan. All I get is to be put off.

Now they're referring the decision to the board of directors of the Agricultural Development Corporation. Well, who in hell should be making policy? It should be you, Mr. Minister, not the ADC in Camrose. They should be carrying out what you tell them to do, not discussing whether or not women have the right to be considered as full and equal partners. I will fill the minister in on it; I think he's familiar with it because his own brother went to work and brought it to him. A farmer was living common-law out there in the Barrhead constituency, and they jointly had a little cattle feeding operation. The other day the ADC decided to foreclose. Well, talk about a bunch of chauvinists. They only sent the common-law male the notice. They only went out to deal with the male in spite of the fact that the female was the one that owned most of the stock and did most of the work. The male was busy in town doing you know what: consuming the product after it had been distilled a while. No, no. They only dealt with that one. After the land was sort of repossessed and the cattle seized and they come to

Nick Taylor amongst others, suddenly the ADC said, "Well, is that right? This is a common-law relationship? Well, we were talking to him." I said, "I don't give a damn who you were talking to, but if two people apply for a loan, they're in partnership." But oh, no; it's a woman. So I suggest, Mr. Chairman, that you get rid of some of these chauvinists. Either that or put them to work with some of our farm women around here and let them work their butts off. I think you've got some people that don't understand that in a good many cases in farming, I would say 50 to 75 percent of the cases, the woman knows a hell of a lot more about the farm than the male and is probably doing all the work.

Anyhow, after I put in my two bits, as any father of seven daughters would do, I roll on to the basic philosophy, Mr. Chairman, of this department. One thing bothers me. I include the minister of economic affairs in there. I notice he's sitting in the Treasurer's seat. There must be an attraction for people that screw up financial loans to want to go to the same chairs all the time. The fact is that if somebody comes in and says they're going to upgrade anything, these people fall all over them lending them money. This was okay 50 to 70 years ago, before the pill. Everybody had seven or eight kids or nine or 10 come along. You had to create jobs so you put in flour mills, you put in canola oil crushing plants, and you put in malting barley plants, because you had this wave of people that had to be put to work. Now we don't. We're not even repeating ourselves anymore unless we get some immigration in. Therefore, when you create a new job in our society, it should be an economical job, because otherwise you'd have to import someone. Yet we have this Pavlov's urge to upgrade, upgrade, upgrade. The point is: if free enterprise – good old Esso, good old canola oil makers, and good old Cargill – can't see any money in it, we've got no business putting our taxpayers' money in it either. If they can't see the profit in upgrading, we shouldn't be in it. Yet we're stuck always.

I can remember the former Premier: we can't ship jobs down the tube. There's nothing wrong with shipping jobs down the tube. Otherwise, we would have one of the most peculiar societies going. You don't see Quebec going crazy like this government would and deciding to put an automobile industry up in Labrador because they've got iron ore up there. We're the ones; we put oil crushing up in Peace River because we've got oilseed up there, just as silly as an automobile plant in Labrador because the iron is there. The upgrading should be where the consumers are not where the producers are.

Very rarely can you upgrade anything, and if it can be upgraded economically, Mr. Chairman, it'll be done by free enterprise, not by a bunch of politicians, be they Liberal, NDP, Conservative, or anybody suddenly deciding we're going to upgrade. The other area where you maybe should upgrade is where there's a monopoly. If nobody else is doing it, then okay, but there's no reason for us to be in there monkeying if there is any kind of competition, putting money into malting barley when we've got plenty of malting barley areas, putting money into packing when we've got plenty of meat packers. We don't have to subsidize them.

Mr. Chairman, we're wasting a lot of taxpayers' money, particularly amazing from a Conservative government. I could see the NDP, because you notice they didn't even know what to do with the piggy. Most people would think a piggy means a piggy bank, but they've never put money into anything, so they thought it was something to eat and they sent it over to the minister. I can just see my friend from Edmonton-Jasper Place; he always throws a purple hissy if I get him . . . [interjection]

Nevertheless, I wanted to get at the point that the whole idea of upgrading is an anathema, and we should be looking at it very closely.

I also would like to talk for a second on the rather vicious, almost mindless attitude that the Treasury Branches and the Agricultural Development Corporation are exhibiting down in the grain-producer, drought-depressed areas. I've mentioned already that you maybe should slap the ADC in line about being chauvinist, but what business have they got, after the minister promised last year . . . [interjections] Thank you very much. I would bite the wrong end here, I'm afraid. Actually, getting it from the minister, I expected a goose not a pig.

AN HON. MEMBER: Shove some money in it. Go ahead.

MR. TAYLOR: Okay.

After the minister promised only a year ago – and I'd be interested in knowing – that they would not be putting land back on the market: 18 quarter sections in the last, oh, I guess 90 days, maybe 120 days, on the market in the depressed areas southeast of Calgary. Well, whenever you put land on the market, that knocks down the land values. That therefore means that the ADC has a self-fulfilling prophecy. They're going around taking values of people's assets in order to determine whether or not they qualify for farm aid and at the same time are dumping their land onto the market, forcing prices down, which then means that the farmer's assets aren't going to be high enough to qualify. My understanding is that it was a total of 18 quarters. The minister promised a year ago: no, there's not going to be any more land. That was after he dumped about 300 quarters a couple of years before. I wonder why his reversal on that position.

I'd like to move on now to GRIP and NISA. Now, unlike my colleague in criticism of Agriculture – my partner in crime, the minister might say – I support GRIP and NISA. I salute them. I noticed they were dragged, Mr. Chairman, kicking and squealing into the last half of the 20th century. It was a policy introduced by the federal Minister of Agriculture. It's vaguely familiar. The ministers have been around long enough. You'll remember the old negative income tax for farmers that the Liberals campaigned on a couple of elections ago. Therefore, GRIP and NISA are, in my estimation, a heck of a good idea. I compliment the ministers on going ahead on it. I hope they move fast and move very ruggedly in the GRIP area to try to get it divorced from commodity over the next couple of years, making it just a general income plan so that we don't have this argument: well, we're encouraging wheat, we're discouraging peas, and we're encouraging this, and we're discouraging that. If we can get it onto a general income plan, then that leaves a farmer a great deal more manoeuvrability as far as what they will plant. I personally think that it'll work out quite well.

I think also, if I were going to try to be positive, you should look at some way of getting around the acreage idea so that land that's marginal can be taken out of grain production and either put into forage or back to nature. We can use a lot of environmental improvement. I think we can see the schemes; they're already operating south of the border and working quite well in the U.S. I think they could be adopted up here too.

9:20

If I may make a criticism, though, Mr. Chairman, lest their heads get too big and they get lulled into a sense of false security and they think I've forgotten my job of being a constructive critic, I think they were cowards in not introducing NISA.

That's the second part. I don't follow their argument that they can't afford it. I have run through the figures. The combined GRIP/NISA program, in my opinion, would run around \$135 million, and the GRIP program only runs about \$100 million by itself. We're talking about the farmers putting in 2 percent of their gross receipts, which will then be matched by the government. Now, you must remember that although a lot of our farmers are in trouble, as high as maybe 30 percent, that does mean that 70 percent are not in trouble. As a matter of fact, it might be as high as 50 percent that are doing reasonably well. So if they have a NISA program in progress, I have calculated that that cost would come to roughly \$37 million. I think it's fairly easy to figure out where it comes from. Last year total crop market receipts in Alberta were 1 and a half billion dollars. Well, 2 percent of that is \$30 million. It's that simple. You'd also have to add in an extra 3 percent interest over the bank rate; that's another \$1 million. So \$31 million would put NISA in for the grain industries.

I think you should do it. I think it's an economical thing, because once NISA gets established, then if that area where NISA is in practice comes into a depressed economy, they've got a little bit of a kitty to operate on and it isn't as costly to the taxpayers to start the ball rolling again. Particularly, it's highly attractive because it allows the farmers to set up a savings scheme, and if through the years they don't have calamities and they're able to contribute to it, they have a tidy little pension by the time they retire and do not have to bust the second generation that's coming along, going to the bank to borrow money to buy the land from the old man and mamma so that they have money to retire on. The seniors will, after having farmed those years and contributing to NISA, have the retirement income necessary. I feel that you ministers have not been served well by your calculators. For some reason you're showing a great deal of hesitancy here in what is a good thing. Even Saskatchewan is putting it in, poor old broken down Saskatchewan. So how can you argue that you can't afford it when we have an even wealthier sector?

Now, if I may roll along past that for a minute . . . [interjection] Nineteen minutes have elapsed. I have 30 minutes all told, do I not, Mr. Chairman?

MR. CHAIRMAN: The hon. member has almost 11 minutes left.

MR. TAYLOR: Yes. Thank you very much. I was getting some help from my colleague from Edmonton-Mill Woods there.

To roll on a bit further, the ethanol problem is an interesting one, and I compliment the Member for Vegreville for being so rugged and sticking behind it. I have some familiarity with that. Some of the first few dollars I made many years ago was in partnership with others setting up ethanol in Manitoba. I think the minister is right when he answers that it's hard to make it economical in competition with gasoline. You must remember that gasoline as it comes out of the refinery before taxes is still cheaper than distilled water. It's probably one of the cheapest liquids we can make. You can make the use of ethanol a certainty by having environmental laws, as California is now doing and the eastern states. I was in New York about a week or so ago. They're starting to. The only way that gasoline can qualify for the emission standards is that it has to have about 10 percent ethanol in it. I think you've got the best of both worlds. You get the ethanol industry going, you're able to shove your arguments back at the NDP all the time, and then, thirdly, you get cleaner air in your cities. So the whole thing works out. If

you work at it from the reverse way around, demanding that the emissions that cars give off are at a certain level, they have to use alcohol. I think it makes sense. I'll give you a tip. I won't even charge you for that, ministers.

I've given the Agricultural Development Corporation heck on everything all night. Personally I think you should dissolve it – that'd be one of the ways of cutting staff – and let free enterprise look after loaning money out to society. We should restrict ourselves to just subsidizing interest from time to time. Nevertheless, I will praise them for putting in the vendor mortgage.

MR. FOX: Another NDP idea.

MR. TAYLOR: Well, it was an NDP idea; I agree. When it comes to spending money, they've got lots of ideas. I will give them that credit. It's a good idea, and I'll compliment the NDP, the ADC, and all the other initials I can think of. It was a pretty good thing to put in.

We come now to the method of payment. I don't know who got hold of the minister on that one. That is really out to lunch. He mentions the price of railway transportation increasing over the last number of years, and he's quite right, but I don't see where paying the farmers is suddenly going to make the railways drop their costs. The only thing that makes anybody in free enterprise – and I think I've had some experience – drop their costs is either a subsidy or competition. Now, where is the competition going to come from? We have no subsidy for coal and sulphur bulk, which I was associated with for years. A railroad on the way to the Pacific coast is so far ahead of truck transportation that there's no way. That damn rate can double yet. So suddenly giving the farmers some more money and telling them, "Look, go make the railway bid for your money," is like turning a kid with an ice cream cone loose amongst a bunch of thugs. The railways would pick him off so fast, he wouldn't know what hit him. In other words, you've got to develop some competitive method of making the railroads bring their costs down. Highways and trucks can't do it. Otherwise, they would have done it. We would have trucks hauling sulphur and coal to the west coast. We don't. We don't have it at all, because there is no special rate in there.

Now, the only way to do it, I'd suggest . . . It's fairly cheap. You may notice that the Member for Pincher Creek-Crowsnest hasn't given me a bad time lately, but I've been down in his constituency suggesting that they take a referendum in B.C. and Alberta as to letting the Crowsnest Pass area belong either to Alberta or B.C. to give them enough political clout. One of the things they need there is a railroad south to the Burlington Northern, and we should be thinking about that. If you want to get railroad rates down through the Rockies, the best way is to give them an alternate railroad. We're talking about free trade and that, so has the government sat down and thought at all about moving, either by superhighways and trucks, because it's flat land, and using the Mississippi water system of canals or the American east-west railroad group as a method of bringing down your rail costs up here? Just giving the money to the farmer and telling him to take on the CPR is a hopeless task.

Secondly, I would like to see how long that detachable bond that the minister talks about will stay in the hands of the farmer that owes money to the ADC or to the Treasury Branches. That bond will disappear so fast. As a matter of fact, ADC will probably get their hands on it even before the farmer sees it and say, "Hey, have you got a bond here?" and use it to cash in. It will disappear. So all we'll have done, as this government here has done often in the past, is put out a bunch of money that the

eastern bankers or the financial institutions end up with. They wouldn't have a chance as long as the bond was detachable. That was another argument to make.

9:30

The last argument to make: how about the people that rent land? If the bond goes to the owner of the land, it seems to be very naive indeed to suddenly expect that because the owner of the land has got a bond that's detachable, he or she is suddenly going to turn around and rent the land cheaper.

No, I don't think this scheme will work at all. If you look at the way the world is designed, look at other continents, Mr. Chairman, you will see very quickly that it's very difficult indeed to develop an economy in the centre of a continent without freight subsidies, without transportation subsidies. There's no economy in the middle of South America, none in the middle of Africa, none in the middle of Eurasia, none in the middle of Australia. We're the only continent that has any kind of a development in the middle of a continent, and it's due to freight subsidies, either the Americans through the Mississippi system or ours through the railroad system.

Also, I'd like to bring up a couple more questions before I sit down. In the votes, if the minister would take a moment or two to look at them, he talks about the increase in the budget for Agriculture, but if you take the cut in farm fuels, actually the minister has cut the amount of money that he's put in Agriculture, because the farm fuels go up from another budget. In effect, I calculate that he's made an 11 to 17 percent cut rather than an increase.

I think the minister could look a little more seriously at cutting the Crow benefit even more than he has. That may make some of the cattlemen in my constituency give me a bad time; nevertheless, I think if you're looking at cutting – the cattle industry is in good shape now – maybe this is the time to lean them down and make them a little bit more lean and mean.

Under vote 2.4.1 I couldn't understand the increase of \$160,000, or 37 percent, in Administrative Support. That was peculiar. In 2.4.11 they budget \$13 million for drought assistance, but then you jump over in vote 6, and you have a drought assistance program of \$76 million. I can't quite understand why it shows up twice.

In Field Services, vote 4, is the increase due to any amalgamation of departments? That doesn't seem to be evident. Is the loss that we're making up here to these funds not going to be made up by the lottery funds? Is one of the reasons you cut because the lottery funds can come up? That's in vote 4.3.

Those are all the questions I have now, Mr. Chairman, but I have circulated a motion. I want to propose the following motion to the Committee of Supply.

Summoning Witnesses

Moved by Mr. Taylor:

Be it resolved that upon the request of any three members, the Committee of Supply order a warrant summoning the Deputy Minister of Agriculture or any employee of the department it considers necessary to consider the estimates of the department and that the deputy minister or employee provide complete documentation regarding the program description and evaluation, efficiency and effectiveness studies, and information regarding the reclassification of comparative estimates as requested by any member.

MR. TAYLOR: I don't think it's necessary to speak to the motion, but we've tried to make it a couple of other times before, Mr. Chairman.

Thank you.

MR. CHAIRMAN: The Minister of Agriculture.

MR. ISLEY: Mr. Chairman, I can be very brief, and I'm addressing the motion that was just made. It would seem to me if the hon. member is really serious about analyzing specifics of this budget, that he should have spent some time in the last 30 minutes getting into specifics instead of doing nothing but rambling. When he finally did formulate some questions at the end, he couldn't even identify the right sectors in the votes so one could respond to them.

I would suggest that we get this motion behind us and then . . .

MR. TAYLOR: A point of order. Do we have a motion on the floor?

MR. CHAIRMAN: Is the hon. minister speaking to the motion that's on the floor? The motion is on the floor.

MR. ISLEY: I'm speaking very specifically to the motion, and if you would listen, hon. member, I'm saying that rather than putting forward a motion requesting more people to come down on the floor and waste your time listening to what's been going on, why don't we zero in on the specifics of this budget and get your questions out if you have questions. I also went on to say that when you finally did get to the point of formulating a couple of questions, you didn't have the ability to specify them in a vote so that anyone could understand what you were talking about. So let's move this motion behind us and get on with someone that really wants to deal with the budget of Alberta Agriculture.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are we ready for the question?

The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Mr. Chairman, I'd like to speak on the motion as presented by the Member for Westlock-Sturgeon. We've attempted in this caucus to point out that there are some deficiencies in this system when it comes to the budget process. It's not a meaningful process in that it does not allow members of this House, whether they sit on that side or whether they sit on this side, whether they're members of that caucus, that caucus, or this caucus, to have the opportunity under the existing system or process to get down to the root of things. We don't have the opportunity to quiz the deputy minister. We don't have the opportunity to quiz staff members of any particular department, including this department.

Mr. Chairman, the intent of the motion that is presented is simply an attempt to make the budget process more meaningful, make it into a process where we can all participate and have some benefit rather than go through a process that takes 25 days with really no result. I've watched what's happened here so far tonight. One member gets up to speak, the two ministers get up to respond; another member gets up to speak, one minister gets up to respond. Nothing is really being achieved in terms of

getting down to the details, getting down to the root of this particular budget because the minister has the discretion to answer those questions he or she chooses to answer.

I would ask that members of this Assembly support this motion to make this a meaningful process.

MR. CHAIRMAN: Is the committee ready for the question?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The hon. Member for Three Hills.

MRS. OSTERMAN: Mr. Chairman, I wasn't going to get into this debate because I think a number of us have some very specific questions to be asking of the ministers. I guess I'm a little bit surprised at the motion. I could certainly support it had I been through a process where we had exhausted all our time going through the budget in a very detailed way asking questions and not getting any answers, but I haven't heard the questions come. I've heard speeches by the hon. members, and obviously that's their discretion as to what they want to do with their time, but I guess I'm absolutely amazed when I'm listening to the Member for Westlock-Sturgeon. I heard him make a speech; I heard him say, in fact, that we should ship all our jobs down the pike, that somehow we should be taking our primary agricultural products and shipping them to wherever the consumers are. I know that the people in my constituency are certainly going to be interested in these observations, not questions, about the budget, because I have a lot of people working very hard at upgrading agricultural products and breaking into other markets. The last time I looked, Albertans are very capable of selling outside of Alberta, and if the Member for Westlock-Sturgeon thinks that we're going to lay down and roll over and play dead and start buying all our products from outside of Alberta, he's got another think coming.

Mr. Chairman, let us get on with this budget.

MR. CHAIRMAN: The hon. Member for Vegreville.

9:40

MR. FOX: Thank you, Mr. Chairman. I'll just speak briefly to the motion in hopes that we as an Assembly can dispense with this nonsense once and for all. I agree that the process for examining the budget estimates of the government is woefully inadequate. There's not enough time, the process is confrontational, and we need to make changes.

I have put on the Order Paper twice now a motion that I believe would meet with the approval of hon. members on the government side should we have a chance to debate it. It deals with all of these things. It promotes an enhanced role for all-party committees, unlike the Liberal Party that seems to speak against the role of all-party committees and doesn't get involved in all-party committees until they pretend that they've coerced other parties into supporting their foolish, poorly worded amendments. So I agree that the process is flawed, but this motion does not change it. This is a stupid motion. They're calling for at "the request of any three." They don't even have three members here, Mr. Chairman. They couldn't call a standing vote if they wanted to. One of the members on the government side mentioned to me at the banquet tonight of the Alberta restaurant and food association that there were more Liberals there for the free chow than there usually are in the Assembly to debate important issues, and I agree with him.

MR. NELSON: Well, Mr. Chairman, all I would like to say to our members over there is they should wake up and smell the roses for a change.

MR. TAYLOR: I told you: I was offered stinkweed, not roses.

MR. NELSON: You get sick and tired of listening to some of the garbage that comes out from over there. I'm going to be nice occasionally.

Mr. Chairman, I don't know why we're sitting here quite frankly. I came here to discuss the estimates of Agriculture, to listen maybe and ask some questions that relate to the figures that are in the estimate book here, not to listen to some inadequate speeches . . .

AN HON. MEMBER: Inane.

MR. NELSON: Inane speeches too. Yeah, that's true.

. . . by the members opposite. They sit here and cry the blues and whine like a little tot about why they don't have time to deal with the estimates and the issues that we have before us on a day-to-day basis. Well, all I have to say is that instead of whining and crying and drinking your beer through your toe, why don't you ask the right questions and maybe you'll get some answers that are in the budgets and the estimates instead of wasting the time of the House. You have no consideration whatsoever about the cost of operating this place. You sit here and create a blasted charade out of the whole darn thing.

MR. FOX: Don't look at us.

MR. NELSON: The whole lot of you. They're in the same mess.

The cost of operating this place is massive, yet you sit here and instead of discussing the issues at hand, you've got to put out with more of these inane, stupid motions that you've got here. Absolutely ludicrous – the same one that you put last night. Why don't you wake yourselves up and ask the questions related to the budget, so we can all go home? Maybe you'll get some answers and deal with it in the appropriate fashion instead of sitting here crying and whining that there's not enough time. There's plenty of time if you ask the right questions, but you don't have the brains to do it.

MR. CHAIRMAN: Is the committee ready . . .

The associate minister.

MRS. McCLELLAN: Mr. Chairman, I do not support this motion. I think a number of members have made the comment that it is wasting time.

The hon. Member for Vegreville spoke, I believe, that the minister and I answered each of the questions. I made very careful notes, and if we've missed any, as we've always acknowledged, or if they're too detailed, we will respond. I think hon. members know that we have a record of coming through with those assurances.

The hon. member who made the motion asked one question that I could identify. If we could dispense with this motion, I would be glad to clarify it, although I did answer the question in my opening remarks.

MR. CHAIRMAN: Does the hon. member wish to close the debate?

MR. TAYLOR: No. I was enjoying it. I don't wish to close it if there's anybody else on the floor, Mr. Chairman. [interjections] Do you want to say something more?

MR. CHAIRMAN: Hon. member.

MR. TAYLOR: Okay, Mr. Chairman. In closing the debate I think it's rather obvious why we repeated it, especially if the hon. Member for Calgary-McCall now knows what it is. It's a big help, because any time the local chairman of the flat earth society that supports the Calgary Flames wakes up and starts talking about motions, it means we must be getting someplace.

I wanted to mention the motion. I know the hon. Member for Three Hills mentioned she liked upgrading. So do I, as long as government subsidies are not used. I say, let free enterprise do it, and if they're upgrading in Three Hills, all the better.

AN HON. MEMBER: Is that the motion you're speaking to?

MR. TAYLOR: She was speaking to the motion so I was just giving an answer.

I'm sorry that the ministers didn't hear any of my questions. I thought I asked about five or six there. That's what happens . . .

MR. CHAIRMAN: Hon. member. The hon. member will have to confine his remarks to the motion that he proposed to the House.

MR. TAYLOR: What I was going to try to say is that this is what happens when you don't have the time to investigate, to put on the head of a pin the department and the deputy minister to ask questions, which is done in nearly all the other parliamentary democracies that I know of. This is one of the few where we sit here in the House, they give a bunch of rhetoric, we give a bunch of rhetoric back. Occasionally they will answer some of the questions, occasionally they won't, and the ministers here use it as a right to get up and give a half-hour speech to every question you ask. If they would take it down and write it – but there has to be a little bit of give and take in the committee, because sometimes the answer given, Mr. Chairman, necessitates a second one.

You know your job is a tough one; there's a bunch of other questions out here, and we get people like the hon. Member for Calgary-McCall whose only reason to be here is that the Whip told him he had to be here and if he wants to keep his extra money for the committee he gets appointed to, he's got to show up here. I don't blame him for being brassed off.

MR. PASZKOWSKI: Come on, Nick. What's this got to do with agriculture? Let's get back to the job.

MR. TAYLOR: He'd like to go home, too, because he doesn't know. It's only the Whip demanding he be here that he's here, but we'd like to have a committee where the people that are here are interested in the subject, not just because the Whip told them to get out and do some votes whether they wanted to or not. Look at the hon. Member for Smoky River. I think you should use some oil to grease your way out of here if you're not interested, you get it so much subsidized up in that area.

The fact of the matter is, Mr. Chairman, that we don't get a chance to do the give and take on the budget by the people that are interested in the departments. This is why we're making this move, and we or somebody in opposition are going to continue

to make this move until we get the thing done properly. They may if they want to call it a waste of time. Democracy is a waste of time if you want to call it that, particularly if you're in the government position. But if you go over into the opposition, then democracy doesn't look like such a waste of time.

Do I have a half an hour on this? No, I don't think I'll take the whole half hour. One little forkful of hay to each of them is enough, but all I can say is that I think that if they want to – and someday they'll be on this side of the House; they'll be putting this motion forward. So why not be very noble and pass it now, and then we'll be through in the future?

Thank you.

MR. CHAIRMAN: The hon. Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. You know, it's kind of a joke to sit here and listen to that.

SOME HON. MEMBERS: Question.

MRS. BLACK: Mr. Chairman, do I have the floor? [interjections]

MR. CHAIRMAN: We're ready for the question.

MR. TAYLOR: I think she has a right to talk. Go ahead.

MR. CHAIRMAN: The hon. Member for Calgary-Foothills, if she wishes to use some of the committee's time.

MRS. BLACK: Mr. Chairman, for the last three days we've sat in Committee of Supply and we have had the Cheech and Chong act from the Liberal Party come forward with their motions. On a rough calculation, I figure they've taken approximately five hours of debate time on the budget away from this committee. I think they owe a bill almost to this Assembly that should be paid for the five hours of time that they have taken up with these motions. If they come in here with 10 questions each and stand up and peal them off instead of giving the 1902 rhetoric that we hear from them, then we might get somewhere in this committee, but all we hear from the Liberals and the NDP, quite frankly, is what happened in 1902, the year the brown cow died, and then the crying starts from there on. I would suggest that they stand up with something relevant to the current year's budget and start peeling off some questions. If they have nothing relevant to say, then they should sit down and keep quiet so the rest of us can get into the debate.

Thank you.

MR. CHAIRMAN: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Mr. Chairman, I do have some questions I'd like to put to the Minister of Agriculture that deal with the subject of . . . [interjections]

MR. CHAIRMAN: Order please. Order. We are not going to put questions to the Minister of Agriculture in the guise of speaking to this motion.

Is the committee ready for the question on the motion?

HON. MEMBERS: Question.

[Motion lost]

9:50

MR. CHAIRMAN: Edmonton-Jasper Place will resume the speaking list. We have been on a procedural motion. We'll resume the speaking list, and the next person on the speaking list is the Member for Smoky River, followed by . . .

**Point of Order
Division**

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

MR. CHAIRMAN: A point of order?

MR. GOGO: Did you rule, sir, on the last vote?

MR. CHAIRMAN: I said it failed, I thought.

MR. GOGO: I understood, Mr. Chairman, with respect, that members rose for a division. Perhaps I'm inaccurate.

MR. CHAIRMAN: There was no call for a division that I saw, hon. member.

The hon. Member for Smoky River.

Agriculture (continued)

MRS. McCLELLAN: Mr. Chairman, may I answer the question the hon. member posed . . .

MR. CHAIRMAN: I'm sorry, hon. minister.

MRS. McCLELLAN: . . . because certainly the member is thirsting for information.

I would like to answer the question on vote 4.3.5 on agricultural societies capital grants. My answer will be as succinct as it was in my opening remarks. That fund has been transferred to the Lottery Fund, but it is administered by Alberta Agriculture as it has been in the past.

Thank you.

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

MR. PASZKOWSKI: Thank you, Mr. Chairman. I hope the House will indulge me while I try to get through this.

First of all, I'd like to take this opportunity of complimenting the ministers and their excellent staff for the performance that they have brought us in this past year. I also have to comment on the tremendous tragedy that we've had here tonight. An industry that's so important to all our agricultural people, and to have the time wasted in the process that we've had tonight, opportunities to build and develop agriculture totally wasted, mockery: I think it's an embarrassment to the members who have indulged in this mockery, because agriculture is too distinct and too important an industry to be mocked in such a way.

On behalf of the constituents of northern Alberta I want to thank the ministers for the disaster programs they've brought forward. They were well appreciated, well received, and certainly assisted us in a very dramatic way in getting through a most difficult situation.

The farm credit stability program. It's served its purpose; it's had its day. It was a good program; it provided the function that it was devised to do. We no longer need it, so I want to commend the ministers for finishing off the program as indeed it was set out to do.

Diversification is certainly an ongoing challenge in agriculture and one that we have to build and be very conscious of, because that's going to be the success of agriculture. I was a little concerned about the critic for Agriculture from the NDs who basically wanted to have all programs remain the way they were, never change. We'd be back to the buggy whips, and I don't think we'd be manufacturing too many buggy whips, wagons, and the likes of that. Change is essential. Agriculture is one of the leaders of change, and we have the community that will provide that leadership.

The criticism of the Grain Commission: I was shocked, and I certainly will be discussing this with the grains and oilseeds producers in my constituency. How anyone could be critical of an organization that provides such a useful function to this province in the grains and oilseeds industry – I am totally shocked and totally appalled. I would like to just basically indicate a few of the inputs that the Grain Commission does have and provides as far as the grains and oilseeds industry is concerned in Alberta. It provides policy input, everyday grain prices, market strategies, and works with producers in developing marketing alternatives, marketing strategies: a whole multitude for the grains and oilseeds specific needs. To have someone saying, "We don't need it; we should do away with it," is appalling to hear.

[Mr. Jonson in the Chair]

The farm fuel rebate: there was some criticism there. I think it's important that we realize that 77 cents a gallon is hardly something that you don't consider. I know the producers in Smoky River constituency consider 77 cents a very, very worthwhile support. To the ministers I want to provide a thank you on behalf of our producers.

I think it's also important that we support the free trade initiatives. Obviously, the canola industry and the honeybee industry have to be two industries that have been impacted in a very, very direct way. The 7 percent tariff removal on canola oil moving into the States is a direct result of the free trade agreement. The honeybee issue is a direct result of aspects of the free trade agreement, so we have to recognize that and we have to be appreciative of the positive aspects of this particular initiative. I think we have to, and I would encourage our government to, become involved in the Mexican aspect of the North American free trade development.

I think it's important that we support the third line of defence initiatives that are coming forward. I would encourage our ministers to support that, and I'm sure they will.

I would ask that we do indeed provide support for the agricultural societies. I understand the process is being reviewed. This is a very, very important aspect of the agricultural community, and I would hope that there will be continuing initiatives brought forward in the ongoing development of agricultural societies. Groups such as SARDA in our constituency – and the minister was down and met with the group not that long ago – provide a very, very important role in the development of agriculture in the form of applied research. I'm sure the group is going to be coming forward with a request for funding, and I would hope that there is a positive response to their request.

As far as diversification is concerned, ethanol was brought forward and mentioned. I think it's important that we recognize ethanol for what it is: it's an environmental issue. [interjection] That's exactly where it belongs; Environment should be dealing with the issue. Agriculture should not be the one that's

responsible for ethanol development. It should be Environment because it's the environment that is going to be benefiting from this. It should not be a subsidy brought forward from Agriculture but from the people at large, because it is an environmental issue. I would hope that we progress and proceed with initiatives in development as far as ethanol is concerned, but again it must be cost-effective. I'm sure that the ministers are going to be looking at that on an ongoing basis.

I would encourage ongoing research and development. Research is the foundation of the industry, has been, and always will be. I would certainly like to encourage this government – and I'm sure you've been doing it – to continue support of research in the agricultural community.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. I would like to ask the Minister of Agriculture if he could enlighten the Assembly and people of Alberta as to where he's going right now on the game ranching issue. He didn't mention it in his opening comments, but I think it's a pretty important issue for him to address, especially on the important occasion of the estimates of his department. This is not the occasion to review the entire history of that issue, but I think it's worth noting in passing that the minister did refuse a full debate in the Assembly at the time that Bill 31 was pushed through the House in closure. He did promise the Fish and Game Association that he would travel to Calgary to debate this issue. At one point in the negotiations I'm told that he would not attend there if I was part of the debate. I very gladly withdrew in order to facilitate it, but the latest I hear, he's still playing games and is not going to show up to debate the important issue of the future of this industry, the effect on wildlife resources and now the cattle industry and some human health issue as well.

I'd like to encourage him to stop hiding in the weeds and repeating the few slogans that he appears to get away with and to come forward and deal with a number of specific things, because while I don't intend to review the history, I do intend to go through some of the assurances that have been made – solemn assurances have been made by this government of Alberta regarding the industry – and what has happened to those in turn by way of making my point that the minister has an awful lot of explaining to do about this particular issue.

First of all, the Premier of the province of Alberta did say that there is no game ranching allowed in Alberta and that the government is not considering allowing game ranching in the province of Alberta. He said on May 2, 1989, at a public forum in the Stettler by-election: game ranching is not allowed in Alberta and the government is not considering allowing it – at that time. Well, next thing you know we have legislation to bring in game ranching in the province of Alberta which the government refuses to debate and brings forward under closure.

In defense of that action, the Minister of Agriculture himself said that this isn't game ranching because we consider game ranching to be paid hunting, forgetting about the legal definition of game ranching in the Wildlife Act, which is raising game animals for meat sales. But even on that count he's proven to be wrong, because I'm reliably informed that animals from Alberta are sold to paid hunting establishments south of the border in Montana and possibly other places where these animals are shot for a fee by people who call themselves hunters in what in some areas passes as a sport. So we even have paid

hunting of captive animals that are held penned while these so-called hunters go and blast them for a fee.

10:00

Very specific assurances were made that there would be no genetic pollution of animals, particularly elk, in the province of Alberta, whereas I have information that animals from game ranches that show up at auction sales do test positive as hybrids, that there are red deer genes involved in the elk population in the province of Alberta. We were told that even if there is genetic pollution, that's not a problem because elk can never escape from captivity on game ranches because they're held under conditions of security all laid out in the regulations and so on and so forth.

Well, of course, elk have escaped from ranches in the province of Alberta. Some of them, in particular from the McAllister ranch, are missing and not accounted for, and there are cases, I am told, on some of the other ranches where animals can't be accounted for. Whether they escaped or whether the paperwork wasn't done, who knows? The Minister of Agriculture said himself, and I quote: this industry poses no significant disease risk to domestic livestock and wildlife. Well, that's a good one, because we have not only a well-documented outbreak of tuberculosis among game animals, which for all we know may have already spread in the wild, but in fact that disease has spread to domestic livestock and to humans who have had contact with those as well, to what degree we don't know.

I certainly hope that the concern raised by my colleague today in question period proves to be a blind alley, but I think it's rather foolish for the government to assume that somehow all of the people that they have tested are the only people who were ever exposed to bovine tuberculosis as a result of this game ranching industry. It's very likely that there are other people, and it would be only prudent to test other people as well. You wouldn't know, for example, that some of the Agriculture Canada employees had been exposed to the disease unless you tested them. The minister is likely to say, "Well, there's no big deal if you test positive for the disease," because he's tested positive, and I even heard him say once that if he was an elk, they would shoot him. Now, I don't recommend any such thing because I think that would be cruel and unusual punishment; nonetheless, exposure to bovine tuberculosis is a serious matter and it's one that I think he needs to answer for today.

We were also assured that there would be no increase in poaching activities as a result of the indication of this industry. Obviously, we can't know in this Assembly how much poaching really goes on. The studies done by Forestry, Lands and Wildlife indicate that perhaps 2 or 3 percent of the poaching incidents are ever reported and cause any sort of an investigation whatsoever. But we do know that people have been charged in the province of Alberta with illegally trafficking in game meat as a result of legalized sale of meat through restaurants; that's already happened. We know that poaching is a fact of life, and I think we'd be foolish to ignore the testimony of experts the world round who say that every time you create a legal market for wildlife parts, you increase the risk of poaching. That's been stated by any recognized expert that I've had contact with who's dealt with this problem on a world scale and looked at the situation in Alberta. Clearly it is a problem, and to say otherwise is to put our heads in the sand.

Then we have the question of the cost to the taxpayers. The bill was pegged at \$2.8 million for the first 300 animals which were slaughtered under the tuberculosis control program. Now, Agriculture Canada is obviously getting tired of footing the bill

for all of this provincial incompetence, so they're cutting back on the amount that they pay. Whereas they used to pay an average of \$9,000 per animal, it's dropping to the \$3,500 to \$7,000 range now. If you count the Elgersma herd, that's another 350 animals, another \$1.5 million to \$2 million, which it will cost to try to put a fence or put some type of contain around the disease problem that already exists out there.

So I think in view of the minister's refusal to debate the legislation when it came before the House and his refusal to honour his commitment to the Fish and Game Association, he should come forward today and tell us where he's taking us on behalf of the 120 game ranchers who seem to be running this aspect of government policy. The government openly laughed at the suggestion by the hon. Member for Vegreville that we have an environmental impact assessment into this industry before we go ahead. It does now seem in retrospect that perhaps the Member for Vegreville did have a point, and still does, that we do have to find out exactly how it is that this disease came to be in existence in the province of Alberta. It was suggested initially by a number of people, including this government, that the origin of the disease was an animal that came to Cliff Begg's ranch from Montana. It now appears, according to Agriculture Canada, that the disease initiated on the Elgersma ranch at Barrhead and that that matter was confirmed at the laboratory test level on July 5.

It's been suggested publicly that Agriculture Alberta knew about the existence of the disease before Bill 31 came to the Assembly, and one has to wonder if that wasn't part of the rush, why it had to be rammed through in about a four-hour debate period, something that has as important a significance as this. I think this would be a good chance to clear that particular point up. When did the Department of Agriculture become aware of the existence of tuberculosis in game ranches in the province of Alberta? If it was before Bill 31 was rammed through the Legislature, that's a very serious matter. I don't have any indication of that, but if it's the case, I think this would be a good chance to clear that up.

Now that the problem has sort of blown up in everybody's face, including the minister's, we have a brand new promise in addition to the six that I've outlined, which is that if only we expand the industry around the province according to Bill 31, if only we put elk on all kinds of farms and ranches around the province of Alberta, if only we allow meat sales in restaurants and grocery stores, then we'll have less disease. Now, that has to rank as another promise, but why should that promise be any more believable than the other six, which have all proven false today? Why are we supposed to believe that because Agriculture's in charge and because it's a more widespread industry, suddenly all the problems are going to go away? I mean, that's about the falsest kind of false hope that you can put forward. I remind the minister that everything that's happened to date in this industry has happened under government control, government licensing, government supervision. Every game rancher in Alberta has had permits and licences and the whole regulatory system. This may be sort of a backhanded way for one minister to attack another for the type of job that's been done. But I say that we've had enough promises; we've had enough double-talk and enough evasion. I think it's time to have this whole matter out so that we can get to the bottom of what did happen and why, and how we prevent it in the future.

10:10

MR. DEPUTY CHAIRMAN: Hon. Minister of Agriculture.

MR. ISLEY: Thank you, Mr. Chairman. The hon. Member for Edmonton-Jasper Place makes a number of points that I would like to respond to. First of all, he suggests that we refused a full debate in the House last session on Bill 31. I can recall sitting here day after day hearing the same speech getting regurgitated from that side of the House until I woke up at night repeating it. I mean, there certainly wasn't any more that could have been said that wasn't said and resaid and resaid and resaid. [interjections]

MR. DEPUTY CHAIRMAN: Order please. Order please.

MR. ISLEY: I've been accused that I . . .

MR. DEPUTY CHAIRMAN: Order, hon. minister. Order please. I think the previous speakers have been listened to and other speakers should be listened to. Let's have order in the committee, please.

MR. ISLEY: Thank you, Mr. Chairman. I heard the hon. member suggest that I broke a promise to debate someone in Calgary. I made a promise to an individual in Red Deer one day, who rudely disturbed a function, that I was prepared to debate him. The offer is still out there; it's confirmed in writing. The location was suggested to be at the same place as the original disturbance occurred. I think the letter outlines who would be on this side of the debate and who would be on that side of the debate. It suggests that we find someone from the media in the Red Deer area to be the moderator of the debate. That offer is still out there. For some reason there's a feeling that this debate cannot occur unless it's within the University of Calgary: very difficult access by many of the people of the province. I think the people that I'm talking to there think Calgary's the centre of the universe, where I would argue that Red Deer is much more available and accessible to people from around the province who may want to come out for such a function.

The hon. member should know better than to make the statements he did with respect to what he claims the Premier said in a forum during the last election. I believe we had in the debate last spring the hon. Member for Cypress-Redcliff get up and say verbatim what had been said at that meeting, but this member refuses to accept that and keeps trying to feed this whole debate around Bill 31 as somehow being a case of the Premier breaking his word, and that's utter nonsense.

I have also difficulty accepting this linkage that the opposition somehow wants to make between debating Bill 31 in this Legislature and TB breaking out in elk on game farms. I can assure you there was no connection between your debate or whether we were still debating that Bill and whether or not the disease would have broken out. It's unfortunate that it did at the time that it did. You seem to imply that there was a conspiracy between Agriculture Canada and Agriculture Alberta to keep this quiet until we got this Bill through. My first inkling of any TB on game farms in this province was, I think, from the same source probably and at the same time as the hon. member was aware, and that's when it broke out on the Drayton Valley farm. I'd have to go back and check that date, certainly a considerable length of time after we closed the House last spring.

Let me also say that you make an issue that there's evidence it spread from elk to domestic cattle. What would you expect if you had six cattle ranging day by day with 150-plus elk, some of which were infected, sharing the same water, sharing the same

feed troughs? Certainly it can happen; no one said it could not happen. I mean, it's the same disease, unfortunately, that we're concerned about which exists in our bison herd in Wood Buffalo park, where we've taken a position of eradication and Agriculture Canada has finally taken a position of eradication to control it. And what do the members opposite and their friends say? "Don't eradicate." But when it breaks out on a domestic game farm, you say, "Go out and wipe them all out." It just makes no sense.

It's also unfortunate that we had one case of bovine tuberculosis showing up in a human being who had worked very closely with one of those sick animals, but the latest report I have on that individual is that he's still doing well and the disease is treatable. The thing that people tried to blow out of proportion this week on the positive reactors I think the Minister of Health, who's responsible for disease in people in this province, handled very effectively both inside this House yesterday and outside of it.

Let me just close by saying that granted, I've been saying that if we'd had meat sales earlier, there would have probably been an earlier detection of this disease. I say that because the minute you have some meat sales, you're going to have inspection by the meat inspection branch of carcasses that are delivered to those slaughterhouses. That is one of the best ways of detecting disease in livestock.

Don't kid yourself. You know, we still have outbreaks of tuberculosis in domestic cattle. It wasn't more than four or five years ago that close to 500 head of cattle were destroyed for the same disease, not too far from where we're standing. It didn't make headlines simply because they were cattle.

On the timing of when we move forward, I would have to say that it will happen in due course in the fullness of time.

MR. DEPUTY CHAIRMAN: The Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Chairman. It's indeed a pleasure to get up today and speak on the Agriculture estimates. At this time I also want to congratulate and give my support to the two ministers that I know are doing a great job of administering Agriculture for this province and also all the staff that are up here today: the deputy ministers, the assistant deputies, and all the others that are here. It's nice to see that these people are interested in our great industry in this province. And I'll tell you, at our retreat at Hanna a few weeks ago these people naturally did a super job of filling us in and outlining some of the programs and the good that is being done for agriculture. So I want to congratulate you people too, and I know you're going to continue your super job.

It also gives me great pleasure to give some thoughts and views on my constituency of Redwater-Andrew, which is predominantly a mixed farming area. The majority are interested in farming and taking it seriously and doing it as a business and, I can tell you, doing a super job at it. Also, I thank the Member for Vegreville for handing out these Stanislaw Sandblasters. I can tell you that a lot of my constituents are members of this in the Andrew-Willingdon area, and I know they are good, free-spirited, enterprising farmers that are concerned about their soil. I want to commend my constituents for putting the good work on this great committee.

I can tell you, Mr. Chairman, that for myself it's such a great pleasure to be a part of this great government representing agriculture the way it is, because I still am also involved in farming very actively along with my son right now, who has

taken over the family farm and, indeed, doing a super job at it, let me tell you. He's thinking of diversifying in many ways, and it can work. I can tell you that just looking around this government caucus here and across the way are members – there's a few sitting on that side – that are actively involved in farming: our two ministers here, the Minister of Agriculture and the Associate Minister of Agriculture, and many members. Lacombe, I know, knows everything about farming, too, living in a good area. I can tell you there's at least 10 to a dozen active farmers in this government. That's why I think we know what the farmers need out there, and I think that's why we are on the right track with agriculture in this province, and it is working.

You look at the opposition. The critic supposedly was a farmer at one time but figured that he didn't want to do it anymore. Once he got into the limelight, I don't think he figured farming was important to him anymore. Also, the critic of the Liberals: I don't think he even hung around to listen to what is happening in the province and left, but again a person that was never involved in agriculture. It's very easy to get up and criticize by somebody else feeding you secondhand and thirdhand information. I can tell you, Mr. Chairman, it just doesn't work that way. You've got to be involved right in it, whether it's farming or business, to be able to get the good programs and do a good job at it. So this is, I think, where we're at with this great government.

10:20

I just want to outline some of the programs that were outlined by the two ministers which are working very well and our new GRIP program, which I know farmers as they enroll in it will realize is a good insurance program and a good security for your income and yield in grain.

Nobody in the opposition mentioned the red meat stability programs which the federal and provincial governments brought in. I can tell you, those programs are working well. They've taken the livestock producers through some tougher times. The premiums come in. It's a participation program of governments and producers that has worked very well and I know is going to work very well in the future. That's, I think, the way we have to go, with a long-term plan and program for giving our farmers the security that they need to plan for the future. These young farmers coming up are looking at it that way. They're not crying about what's happened in the past; they're looking at the future. I know they're optimistic about it, because I meet with many of them in my constituency. Many of my son's friends are in the farming business, and I sit down with the young fellows many times. We have a good discussion on agriculture, and I can tell you that some of us older farmers can learn a lot from these young fellows. They're diversifying and they're on their way up.

The farm credit stability program which this government, through our Premier, announced back in 1986 was a program that really helped farmers during the tougher times. It gave them security on interest. They knew what their payments would be for the next 10, 20 years, and they have adjusted their farm accordingly. That's 2 and a half billion dollars – and I hope the opposition is listening – 2 and a half billion dollars of government-guaranteed loans to farmers. I'm sure the failure rate is probably nil at this time. So you can see that government does back many industries and does help them out.

At the same time there are many other programs that I think have been outlined by the two ministers, and the farm community really appreciates that.

Alberta Agricultural Development Corporation: another fine program of this government. It helped young farmers get

established with a 20-year help of low interest, five years at 6 percent and the remainder at 9, which again guarantees these young farmers a payment which they can definitely handle. This is another way our government is certainly looking after the future of agriculture. These young people want to get into agriculture and are doing a good job at it. I want to commend the people from ADC here today, whom I really enjoy working with at times when we do need some help in our areas. You really do a super job out there, and the farmers out there really appreciate that.

I guess game farming was mentioned here tonight. I think that's one of the best diversification programs that was ever introduced in this province, and let me tell you why, hon. Member for Edmonton-Jasper Place. My constituency has one of the largest game farms in this province, people that are proud of what they're doing, with maybe a couple of hundred elk and maybe 300 to 400 head of buffalo at this time. And don't you laugh at those people, because they have invested their life savings into this, maybe to the tune of a few million dollars. They're not joking about this. It's serious to them.

AN HON. MEMBER: Who's laughing?

MR. ZARUSKY: Well, the way you speak, it's always doom and gloom to these people.

MR. DEPUTY CHAIRMAN: Order, hon. member. Order. Address your remarks to the Chair, please, and let's not have an exchange. Thank you.

Proceed.

MR. ZARUSKY: Thank you, Mr. Chairman. I'm addressing them through you to the members. I think this is something that has to be brought up here. The Plumb family is a serious family in free enterprise. Not only do they farm; they do many other things, and they are investing money in the future of this province. If these people weren't raising elk and buffalo, I can tell you they'd probably be raising a few hundred, maybe a thousand, head of cattle. That frees it up to other people that want to raise cattle to do it, and these that want to raise elk can do it. There are a few other game farms in my constituency that are doing well and controlling their elk to make sure that no disease outbreak comes in there.

As the minister has mentioned in the past – and I remember back 20-plus years in farming, we also had outbreaks of brucellosis and TB in cattle. We all lived through it. At the times when the outbreaks came, if you had a herd of cows, you certainly kept your fingers crossed to see that maybe your herd wasn't next. But those that had it were eradicated, and the disease was brought under control. I think – and I know the minister mentioned it – that if game farming had been under Agriculture much sooner, this problem would have been caught much sooner, and we probably would have had to get rid of only a couple hundred head. This way I think we're going to have to get rid of a few more. We're going to get the disease under control, and as long as it's kept under Agriculture, we're going to keep it that way. Hon. members, I think you should maybe think of animal diseases – they come in cycles. There are some animals that will get them, but the immunity will build up, and the rest are going to survive, and I can tell you this industry is going to survive.

Some other things were brought up about the Alberta Pork Producers' Development Corporation, before known as the Alberta Pork Producers' Marketing Board. It's an organization

that I know served its purpose in the past, served well for the producers of the province, then went on into investing in packing plants and other processing plants. I think maybe it was moving a little too fast and didn't address the area of ownership. I think that was the whole crux of the problem right now. There should have been some ownership established of Fletcher's way before this all got out of hand. I can tell you that as a pork producer years ago I was a member, a delegate, on the Pork Producers' Marketing Board, and I always stressed to them at that time, seven, eight years ago, that we should have ownership established in Fletcher's. I think that should have been done way back then. Unfortunately, others figured differently, and I think that's where all the problems started. I think it's up to the marketing council right now to straighten that out and get the pork industry back on stream, with producers having a little more input into it instead of a few maybe in central office. I think that's one of the problems there.

I know that there were some comments on our budget. I can tell you that the agricultural industry, our farming sector, was very pleased with this budget. After the budget was brought down on April 4, I had a meeting in my constituency on the morning of the 5th. I had farm representatives there, and many others from local governments and others. They were very pleased with the balanced budget. Everybody wants to contribute to the balanced budget. No farmer out there or any other person wants to leave this great debt to our future generations. Our farmers are no different. We want to make sure that our next generation starts with a clean slate. After the budget, with the reduction in the Alberta farm fuel distribution allowance, they were very pleased that it was so low. There's still a great saving. At the same time, farmers realize that they are exempt from the provincial fuel tax, so they've got the great saving there, and they can get their input costs into this spring seeding on that amount of dollars.

10:30

Another thing I think we have to touch on in agriculture is educating our consumers, and I think our opposition members in this Legislature could help in that case, especially the urban MLAs, Mr. Chairman. I think we need some educational programs out there making the consumers aware of how important agriculture is to this province and the people of this province, because I can tell you right now that the way it sits, we can probably import our food that we use in this province much cheaper, but what's going to happen in the future if we go that route? In two or three years we could have some great food failures in the world, and our consumers are going to be paying triple-plus, maybe, for the food they consume in this province. I think it's up to the consumers of this province to realize that and make sure that our farmers get a decent return for their product and indeed save our great industry of agriculture in this province. I think all the members of the government know this. This is why we are working out programs that are going to keep this great agricultural industry alive and well in this province and probably one of the best in Canada and indeed the world. I can tell you that this is our goal as a government.

A thing that's been touched on is decentralization. I know the hon. Member for Vegreville, Mr. Chairman, sometimes goes out there and works in his area and says decentralization is the greatest thing that ever happened because it's definitely going to benefit his area and others. I know it's going to benefit mine and many others in this province. I think if we all work together instead of criticizing, we will have the services where they are needed, and that's right with our farmers in the agricultural field,

where our representatives of agriculture can be maybe in a coffee shop in the morning and discussing a few things with our farmers. Hon. members, this is a very important topic. I think we can continue to get our agricultural industry going. This is one of the areas in decentralization that is going to work. I can tell you that 250-plus jobs for a city is not going to break it. They will be replaced with something else that the government is working on in our diversification programs. But 10 or 15 or so positions in a small community of 1,000 to 2,000 people is definitely going to be a big asset to it. I know the people will enjoy living in these communities.

Another thing that was touched on briefly was ethanol. I think it is an important industry at this time to this province; it's something that should be looked at seriously. I know there are some proposals from our northeast area. I think we should work with these people and help them get a project like this on stream. I know the hon. Member for Smoky River mentioned that it should probably be dealt with in Environment. I could agree with him on that. I think as a government we can work together and definitely look at this a little more seriously and see if in fact we could get this industry going in this province and make it a viable industry.

In closing, Mr. Chairman, once again I want to thank the two ministers and staff for the great work they're doing and the help they're giving us in our areas. I can tell you, as a representative of Redwater-Andrew and also as a farmer in this province, I am proud to serve in this government.

Thank you.

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

MR. WICKMAN: Thank you, Mr. Chairman. Just a few comments and a number of questions to the minister responsible for Agriculture.

I'm going to target my comments and questions on one area, and that's decentralization. The reason I do that is because of the discussions that have taken place within his department on the possibility of fairly massive decentralization. When we talk in terms of decentralization, I think we have to first of all look at the impact on lives, on families, of uprooting people. We saw what happened in the province of Ontario shortly after the last election, where massive numbers of persons in the larger centres like Toronto were told that they were going to have to relocate to places like Thunder Bay, Ontario. Nothing wrong with Thunder Bay; however, if your roots are in Toronto, if you have a spouse working in some other area of the city or for some other employer, it's difficult to uproot. It's difficult for the children involved. When it's done purely for political purposes – which I would suggest was the case in Ontario, which I would suggest in most instances is the case. When we hear talk about decentralization in Saskatchewan, Manitoba, I believe it's the same situation, where we have, particularly in Saskatchewan, a province facing an election attempting to keep rural Saskatchewan somewhat satisfied.

We saw what happened to the great attempted shift of employees in the marketing division of Lotteries from Manitoba to Stettler. It simply didn't work. Five families out of 52 said yes; 47 said no. I would question, Mr. Chairman, the sincerity of that type of talk, when we talk about that type of massive decentralization in one particular department, as to whether it's being done as a means of downsizing, whether it's being done as a means of picking up some political brownie points, whether it's

being done to try and preserve power in rural Alberta. I don't know. Only the minister can answer those particular questions.

But the question I have to him, Mr. Chairman: is there an overall plan in place that would see decentralization take place in his department, or is he simply flying by the seat of his pants? The information I had at one point was that there was a cost analysis done by the Provincial Treasurer within the department of the Provincial Treasurer that studied decentralization, relocation of employees, and the costs that were attached. The costs, according to the information I received, were shockingly high, and the impact, of course, on the human aspects of relocation again are extremely high, and that goes without saying.

I watched on TV, Mr. Chairman, when the minister went to his staff, and there were massive numbers out there, and it was very, very obvious that you saw a large group of people that were very frustrated, very uncertain as to what was going to happen with their futures. Some of those people have called members of our caucus – I'm sure they've called members of the New Democrat caucus as well – expressing their frustration, expressing their concern that they may be faced with a situation where they're going to be asked to go to a place like Barrhead, Stettler, some part of rural Alberta that is impossible for them to go and still maintain the family life-style that they presently have.

I believe that the minister owes not only his staff but the people of Alberta and Members of this Legislative Assembly an explanation, details as to what type of plan is in place. I believe he has to take into consideration concerns that have been expressed by farmers when they talk in terms of going to different government departments. It may surprise the minister, Mr. Chairman, the number of farmers that have contacted our caucus and said that there is some benefit to having departments in one particular location, where they can hit four different divisions of that particular portfolio in one building without having to go to four different parts of the province.

10:40

So my questions, Mr. Chairman, specifically to the minister. Can the minister tell us: does he have a plan in place? Can the minister tell us if that plan tells us what the costs of relocation will be? Can the minister tell us where he intends to shift employees that may be shifted? Can the minister tell us the number of employees that may be involved? Can the minister tell us when this plan will be unveiled, when the staff members of his department will be told what's going to happen to them, what their futures are? I can understand, I can appreciate if the minister has some problems answering those questions tonight without ample time to do a bit of research or pull some stats together. If I have to wait a few days for that information, I'm willing to wait, but I want that information, and I believe all members of this Assembly would appreciate that information.

On that note, I'll conclude, Mr. Chairman.

MR. ISLEY: Mr. Chairman, let me say, first of all, in response that the decentralization of Alberta Agriculture is not being done for political reasons. We're looking seriously at decentralization for what I think are three very good reasons.

First of all, the Department of Agriculture and the clientele it serves for the most part are not active in the urban areas. I think that over the years you can get a remoteness building up by trying to serve from an urban base. I would say that one of the reasons for decentralization is to create a greater awareness in staff that is developing programs, administering programs, of

just what are the needs of our clients. The second reason we're looking at it is because we feel we can deliver the programs as efficiently if not more efficiently from a nonurban base. Thirdly, we're looking at it from a cost-effective viewpoint. Let me just say to the hon. member and others in the Assembly that when you look at decentralization, there are three costs to it. There's the cost of accommodation to house the staff in the division that is doing that particular operation, and the cost of communication, the interlinking between divisions. I stand here quite convinced that the cost of accommodation will come in cheaper in most of our smaller rural communities. I stand here just as convinced that the cost of communication will probably come in higher, but if the savings on one are greater than the additional costs on the other, you net out with a net savings.

The greatest up-front cost of decentralization is moving staff, but that is a one-shot cost that, if over a long period of time it makes economic sense, can be justifiably worked into it. At this point in time we have not finalized the planning as to exactly which divisions will be going or where they will be going. Once that plan is complete, I can assure the hon. member opposite that the first people that will know about it will be the staff affected.

We have said rather plainly that we'll be looking at two timings of the move: the first one this August, which would probably be a rather small one; the second one next August. We're picking August because of concern for schoolchildren, and that's obviously the best time for families to relocate. We're looking at shallow this year because of timing, but also because we recognize the fact that there's many staff, particularly support staff, that are not in a position to move and that will give some lead time where we can work with those people to either relocate them in divisions of our department which are remaining in Edmonton, if we leave any behind, or work with them to relocate them in other departments.

Once we get a plan worked out, once the staff is familiar with that plan, then we will tell you and the rest of the world about it.

MR. DEPUTY CHAIRMAN: The hon. Deputy Government House Leader.

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: Order please.
The hon. Member for Ponoka-Rimbey.

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

MR. DEPUTY SPEAKER: Does the Assembly concur in the report and the request for leave to sit again?

SOME HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

MR. GOGO: Mr. Speaker, it would be the intent of the government tomorrow to deal with government business, beginning with second readings of government Bills beginning with Bill 5. Depending on progress of the House to committee stage, and as an optimist, we would probably end the morning returning to the budget debate.

[At 10:47 p.m. the Assembly adjourned to Friday at 10 a.m.]

