

## LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 11 read a first time]

Title: **Monday, July 7, 1986 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **READING AND RECEIVING PETITIONS**

MR. SCHUMACHER: Mr. Speaker, I move that the petitions for private Bills presented Friday last be now read and received.

[Motion carried]

head: **INTRODUCTION OF BILLS****Bill 13****Department of Transportation  
Amendment Act, 1986**

MR. ADAIR: Mr. Speaker, I request leave to introduce Bill 13, the Department of Transportation Amendment Act, 1986. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the principle of the Bill is to create the new Department of Transportation and Utilities.

[Leave granted; Bill 13 read a first time]

**Bill 11****Alberta Stock Savings Plan Act**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 11, the Alberta Stock Savings Plan Act.

Mr. Speaker, this Act is introduced in this session in part as a follow-up from my colleague who introduced a similar Bill some time ago, before the election. To simply reinforce the importance of this Bill, I want to stress the four elements which this Bill does in fact accomplish and to outline the intention of the government to move this legislation forward in this session. First of all, it strengthens the private sector in its ability to create jobs, providing expansion capital for growing Alberta companies; two, it encourages diversification of investment in new plants and industries in this province; three, it attracts more Albertans to the Alberta stock market, encouraging an expansion and mustering of capital equity in a number of Alberta-resident corporations; and finally, it strengthens the Alberta Stock Exchange and the Alberta financial environment as well.

I should say, Mr. Speaker, that with the tabling of this legislation, we will continue with our commitment to provide eligibility certificates for those corporations now filing through the Treasury Department, and of course, as you well know, this legislation provides for the tax deduction by purchase of those shares in the year 1986.

I move first reading of Bill 11.

head: **INTRODUCTION OF SPECIAL GUESTS**

MS BARRETT: Mr. Speaker, I take pleasure today in introducing to you and members of the Assembly a special guest seated in your gallery. She is visiting from Regina, although she was born and raised in Alberta and has a proud heritage no less. She is Dawn Martin, the daughter of the opposition leader. I ask her now to rise and receive the welcome of all members of the Assembly.

MR. GETTY: She's better looking than him.

MR. MARTIN: Agreed.

head: **ORAL QUESTION PERIOD****Oil and Gas Well Safety**

MR. MARTIN: After that nice introduction from the Premier, I'd like to direct my question to the Minister of Energy. It has to do with the ERCB's oil and gas well blowout report for 1985 and concerns well inspections. Mr. Speaker, the report notes that there were some 76,000 active oil and gas wells in Alberta; another 8,500 were drilled in that year. The ERCB inspected 2,447 of these wells, which is about 2.9 percent. What is disturbing, leading to the question, is that a full 23 percent of those inspected had deficiencies and 13.3 percent were so seriously deficient that they had to be shut down. My question: given such a high percentage of problems with the very small number of rigs inspected, what steps is the minister taking to get more wells inspected and to reduce the incidence of deficient wells?

DR. WEBBER: Mr. Speaker, I would have to take any questions related to the details that the hon. Leader of the Opposition has indicated on notice and report back to him. However, the ERCB's report that came out recently is going to be followed up by another one, which I hope to be able to table in the near future, related to a follow-up to the hearings that were held after the blowout to the southwest of us, the Lodgepole blowout, of a year ago. The recommendations that were made in that report with regard to safety have been very much followed up on on the part of different departments in the government. I will be tabling that particular report at a time in the near future but would have to take notice of any details related to the question that was asked now.

MR. MARTIN: A supplementary question, Mr. Speaker. I have to admit that I'm only slightly surprised. This very important report in the minister's department came out in June. Is the minister saying then that he has not had an opportunity to review this particular document at this point?

DR. WEBBER: No. I'm not saying that. Mr. Speaker: I have read the document.

MR. MARTIN: A supplementary question. Surely the minister could answer the first one then. If the minister has read it, I'm sure he can fill us in on this information. My question, flowing from the report: could the minister indicate

to the Assembly if inspections only occur for rigs being drilled? What I'm trying to drive at: are active wells inspected at all?

DR. WEBBER: Again, Mr. Speaker, I'd have to take that question as notice.

MR. MARTIN: A supplementary question to the minister, Mr. Speaker. It's hard to have question period when ministers won't even read the materials they hand out. In view of the fact that this seems to be a serious problem — there were 21 blowouts in active wells and only one in the drilled — is the minister satisfied, even though he hasn't had time to review it, that environmental precautions are adequate in this area at this particular time?

DR. WEBBER: Mr. Speaker, in reading the report several weeks ago, I saw nothing to be alarmed about in the sense that I thought it was an excellent report in terms of the work the ERCB have been doing in surveillance of the work that's being done across this province in the energy industry. That report, followed up by the other report that I indicated I would be tabling, indicates to me that this government has great concern about being on top of the situation and having safety in the oil field. There are a number of steps that we have taken in the past and will be taking in the future to ensure that safety is a high priority in the oil patch.

MR. TAYLOR: Mr. Speaker, a supplementary to the Minister of Energy. Is he prepared at this time to say whether or not he will be giving permission for Occidental or their group to drill sulphur wells within the city limits of Calgary or within one mile of the northeast limits of Calgary?

MR. SPEAKER: That's hardly a supplementary, Member for Westlock-Sturgeon. If you'd like to offer another supplementary which is more germane to the topic, please.

MR. TAYLOR: Does the minister establish a policy for the drilling of sour gas wells within Calgary city limits or within one mile of Calgary city limits?

DR. WEBBER: Mr. Speaker, if the hon. Member for Westlock-Sturgeon is up on that situation, he'd realize that the ERCB hearing has been deferred until further research on sour gas dispersion is completed, so that has been delayed. I would also point out what I mentioned a few minutes ago, that a number of steps have been taken and will be taken in terms of dealing with safety. We have a new training school, which we're building likely in the Nisku area, that will provide some of the best blowout training in the world right here in Alberta.

#### **Petrochemical Industry**

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the Premier. It has to do with the petrochemical industry. Billions have been invested in our petrochemical industry over the last decade. I think the Premier would agree. The industry is already struggling with worldwide overcapacity and recession, and now our industry's competitive position is threatened by deregulation. My question is to the Premier: in pursuit of the November 1 deadline, has he determined how loss of our primary advantage, which

is our comparatively low feedstock prices, is supposed to help our petrochemical industry?

MR. GETTY: Mr. Speaker, there are two ways in which our petrochemical industry is supported in this province. One is that it has had the long-term, assured supply of feedstock. Probably in no other part of North America is that so. Secondly, in the area of pricing we have had the lowest prices available for feedstock to our petrochemical industry. We are committed to maintaining both of those advantages.

MR. MARTIN: Mr. Speaker, you can't have it both ways. Gas deregulation means that all of Canada will have those lowest prices. My question is: under this deregulation that the government in Alberta is so fond of, are we in fact not shipping jobs in the petrochemical industry away to central Canada?

MR. GETTY: That might be possible, Mr. Speaker, if you didn't take into account my first answer.

MR. MARTIN: A supplementary question then to the Premier. Under gas deregulation how can you assure that we will in fact still have the lowest prices in Alberta?

MR. GETTY: Mr. Speaker, because we have the supply and we have the petrochemical industries right beside the supply.

MR. MARTIN: A supplementary question, Mr. Speaker. As the minister would well know, under gas deregulation we're competing in the American market with places like Sarnia. Under any free trade agreement with gas deregulation, can the Premier indicate to the House how this will help the petrochemical industry if Sarnia has the same advantages in the American market as we do?

MR. GETTY: Mr. Speaker, the hon. Leader of the Opposition is talking about "under a free trade agreement." We don't have one. Surely I would just be speculating about it.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. Can he assure the House that the question of petrochemicals and petrochemical subsidies will be on the agenda for the Premiers' meetings coming up in August?

MR. GETTY: Mr. Speaker, the member should be clear — about the Premiers' meetings coming up in Ottawa?

AN HON. MEMBER: August.

MR. GETTY: Oh, in August. Mr. Speaker, we haven't fully finalized the agenda of the Premiers' meeting in August. However, I was working with members of my staff and the Department of Federal and Intergovernmental Affairs today regarding it, and I'm sure that the agenda will be sufficiently broad that we will be able to deal with that matter.

MR. SHABEN: Mr. Speaker, if I may, I'd like to supplement the responses by the Premier with respect to the petrochemical industry. I've begun a series of meetings with manufacturers of petrochemicals and discussed with them issues related to makeup gas and input costs. The clear

response that I received was a welcome one of the government's initiative in providing some \$80 million of support to the petrochemical industry to assist them in that time frame to negotiate contracts with the pipeline companies and with the suppliers. Subsequent to the July 1 date the major petrochemical producers have reached a four-month agreement with the shippers to extend their agreement in order to further negotiate prices in terms of their contracts for supply of natural gas.

#### Petroleum and Gas Revenue Tax

MR. TAYLOR: Mr. Speaker, my question is to the Minister of Energy in view of the rays of hope he has been putting out to the industry and the federal MPs of similar persuasion. I'm talking about that dreadful four-letter word, PGRT, disappearing. Has the government evaluated the consequences for Alberta's economy when the \$700 million or \$800 million will be freed up as a result of dropping the PGRT?

DR. WEBBER: Mr. Speaker, in terms of the consequences I think the hon. Leader of the Opposition could do some work in looking at that in the sense that an injection of \$500 million to \$600 million, as the approximate estimates of it are — he uses the amount of \$700 million at possibly higher prices — into the petroleum industry certainly would have significant impact in terms of moneys being reinvested. The CPA and other organizations speculate that if that money is injected into the industry, we would see at least 80 percent of that reinvested in exploration and development.

MR. TAYLOR: A supplementary, Mr. Speaker. Is the minister trying to tell me that he has no idea how many oil industry jobs will be created when the PGRT is dropped?

DR. WEBBER: Mr. Speaker, when the hon. Member for Westlock-Sturgeon asks a question like that, in terms of specifically how many jobs would be created by injecting that kind of money — I haven't done any specific calculation. I could take it as notice to see if any work has been done. However, through the incentives that we've provided to the industry since April 1 — in terms of the exploratory development program, well-servicing programs, and geo-physical programs — thousands of jobs will be saved in the short term. Mind you, the take-up on it has been slow to date, but over the last few days it has been encouraging, and it's speculated that almost all the moneys in those programs will be taken up before the deadlines run out. So in terms of jobs, I'm not sure what the hon. Leader of the Opposition or the — not yet; don't worry, Ray. Given the impact of a more than 50 percent reduction in the world price of oil, how much government involvement does the hon. Member for Westlock-Sturgeon want us to have?

MR. TAYLOR: Mr. Speaker, a second supplementary to the Minister of Energy. Let's make it clear. Does the government have a commitment from the oil producers that the revenue that comes in from cancelling the PGRT will be used in Alberta?

DR. WEBBER: Mr. Speaker, here we go again with the hon. member advocating more controls on the industry. And once again, if the hon. member understands the Western Accord and the natural gas pricing agreement, he would realize that the people in the industry, the federal government,

and the governments of the three western provinces want less government in our industry rather than more.

MR. TAYLOR: A supplementary, Mr. Minister. It's hard to believe what I'm hearing. Is he saying that the federal government will give back \$500 million to \$700 million to this province and he has no commitment, no idea, no guarantee that the money stays in this province, that it can be going anywhere?

DR. WEBBER: Same question.

MR. SPEAKER: Same question, and the whole matter is entirely hypothetical because from my understanding the matter of the PGRT has not been brought to a conclusion.

Earlier there was a point of order by the Member for Vegreville, please.

MR. FOX: On a point of order, Mr. Speaker, I wonder if it wouldn't be possible, in the short time allotted to question period, to find some happy balance between a curt yes or no and ministerial statements, because it does use up valuable time.

MR. MARTIN: A supplementary question to the minister that understands everything so much. The PGRT is an illegal tax and we've taken that stand throughout. But my question is . . .

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: We await your question.

MR. MARTIN: My question simply is this: even if the PGRT is taken away tomorrow, there has been no indication that that would create one job. How will that help the small producers . . .

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: I'm sorry, Leader of the Opposition, but the moment you inject that interesting word "if," we come into the realm of hypothetical, and therefore, it's out of order. So if you'd like to rephrase it succinctly, please.

MR. MARTIN: Yes. Could the minister indicate how dropping the PGRT will help the small producers of this province when they don't even pay the tax?

DR. WEBBER: Mr. Speaker, you know. I find it absolutely incredible that we've got Albertans here who are recommending the maintenance of the PGRT. They are hanging on to that particular tax.

#### Private Social Service Agencies

MR. GOGO: Mr. Speaker, I have a question to the Minister of Social Services, and it concerns privatization. I understand that the Alberta Association of Social Workers has requested that public hearings be held before the minister implements any services in her department in a privatization way. Could the minister indicate to the Assembly whether or not she's seriously considering the request by the Alberta Association of Social Workers?

MRS. OSTERMAN: Mr. Speaker, this question or a question relating to it has been raised a number of times in the

House. For the information of the hon. Member for Lethbridge West, first of all, the hon. member used the term "privatization." I'd say that we're basically talking about community living with respect to the work that has gone on thus far. However, in some administrative areas — for instance, Michener Centre, where there's been a privatization of food services — that's a reasonable comment. To specifically answer his question, wherever there is a change from the present policy — for instance, if there's institutional living and we're going to a community living concept — the people who are served are always informed and there are meetings. It relates to many, many groups that have been involved over the past year or two.

MR. GOGO: A supplementary, Mr. Speaker. Other than the food services, such as mentioned in Michener Centre, are there any people programs that have been privatized by her department that relate to individuals other than those in the Michener Centre or those moving from an institution to the community?

MRS. OSTERMAN: Again, Mr. Speaker, the hon. member has used the term "privatization." I'm not sure whether he wants the list of the various changes there have been with respect to a fair amount of community living moves from various institutions, because I can certainly provide that information to the House. The area specifically that has been a trial project has been the job-finding centres. That has been going on for some time. I believe that project will be evaluated approximately at the beginning of 1987.

MR. GOGO: A final supplementary, Mr. Speaker, which may clear the matter up for me. Will the minister consider any privatization of services in her department if it means that the quality of services to Albertans will be reduced?

MRS. OSTERMAN: No, Mr. Speaker.

MRS. HEWES: Mr. Speaker, to the Minister of Social Services. Will the minister assure this Assembly that she will make public the report being prepared on standards and regulations, which in fact applies to privatization, before it is acted on?

MRS. OSTERMAN: Mr. Speaker, a very important point has been raised by the hon. member. I should have raised that in relating to the first member's question. Indeed, we intend to have a full public discussion in the area of standards development. There have been many organizations participating in that field of standards development. We hope that by this fall we'll have an opportunity to discuss it publicly.

MS MJOLSNESS: In view of the fact that the minister has stated that she is in consultation with the different agencies involved in the privatization, I'll reiterate the question: can we look forward to seeing public hearings in the future?

MRS. OSTERMAN: Mr. Speaker, it's very difficult to relate to a specific public hearing. At all times we'll be working with the people who are involved in whatever service is being provided. Certainly, the question is obviously getting wide discussion, and I appreciate that. But unfortunately, the discussion has been prompted by a report that was recently presented by the social workers. In discussion with the president of the association we came to realize that the report was predicated on discussion papers that

were in the public sphere, and it certainly wasn't a policy statement by my office or any other minister.

#### PGP Plant

MR. YOUNIE: Mr. Speaker, for the Minister of the Environment. Last Friday the Minister of Economic Development and Trade told the Assembly of discussions between his department and Bradbury industries to develop a PCP plant in Alberta. Mr. Hean of Bradbury supports his plans with very skimpy scientific support, whereas there is a large body of evidence indicating that these are very dangerous chemicals. Will the Minister of Environment guarantee an independent review of all research into PCP manufacture and toxicity before any plant is approved in Alberta?

MR. KOWALSKI: Mr. Speaker, I'd just like, to repeat what I indicated in the Legislative Assembly last Friday, that at this point in time no application has come from anyone for the establishment of such a plant in the province of Alberta.

MR. YOUNIE: A supplementary. Bradbury industries will use the same process, according to their plans, that was used in the Reichhold plant in Tacoma, Washington, and that one was closed down for environmental excesses. Will the Minister of the Environment guarantee us that he will review the circumstances that led to the closure of the Tacoma plant and the banning of the process used?

MR. SPEAKER: It's very difficult for the minister in Alberta to be dealing with a matter in Tacoma, Washington.

MR. KOWALSKI: Mr. Speaker, until such time as an application comes to Alberta Environment, it would seem to me that, recognizing the priorities that I've given to basically do all we can to improve the quality of life we have in this province in the environment, it would rather be foolish on my part to go to Washington and start investigating what's happening in Tacoma.

MR. YOUNIE: To something that is not hypothetical, that being death and its relation to PCP. Assuming the minister keeps himself up on all the research, I wonder if he is aware of the Gosselin study that noted the deaths of two infants and illnesses of nine others due to PCP exposure and how that will relate to such a plant in Alberta.

MR. SPEAKER: Whereabouts did this event happen? It poses a difficulty for the Chair as well as for the House.

MR. YOUNIE: Mr. Speaker, I'm just trying to establish that the danger has been proven and that the research is there.

SOME HON. MEMBERS: Where?

MR. YOUNIE: Okay, it was done by Robert Gosselin, MD and PhD in clinical toxicology of commercial products, London and Williams. [interjection]

MR. SPEAKER: For many members, I'm sure, hon. Leader of the Opposition. Perhaps the Member for Edmonton Glengarry would like to phrase one last supplementary.

MR. YOUNIE: Perhaps I should switch to the Minister of Economic Development and point out, seeing as he did

discuss the issue with Bradbury's company, as he told us, and that their proposal quotes six of 11 resource people as being people connected with the Reichhold industries plant, does the minister in fact plan to consider a plant that will be designed exactly as the one that was closed down in Washington? Will the minister consider that kind of plant?

MR. SHABEN: Mr. Speaker, I indicated in the last question period that officials in the department had had discussions with representatives of the company. I have not. To date there has not been an industrial development permit for this plant or the one described by the hon. member.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Minister of the Environment. Is the minister prepared to give the House his assurance that no preservative plant such as the previous questions have hit upon will go ahead unless there are public hearings?

MR. KOWALSKI: Mr. Speaker, should an application come forward, the process essentially would be that such a firm would have to obtain a development permit from a particular municipality in the province of Alberta, should they be able to find such a municipality. Certainly there's provision for public hearings within that as well.

Secondly, they would then have to make an application to Alberta Environment, and I as the Minister of the Environment would ensure that the technologies that might be used, should there be an application, would be of the highest possible. There is always the provision that I might ask for an environment impact assessment, and that would include public hearings, should there be an application forthcoming.

#### **Mental Health Care**

MR. CHUMIR: Mr. Speaker, my question is to the hon. minister of hospitals. The government has just announced that there will be a designation of four hospitals in Calgary and Edmonton to treat the involuntary commitment of mental patients on or before April of 1987. The previous plan was to have these in place by March of 1986. Can the minister tell this Assembly why this delay is taking place in dealing with this serious mental health problem?

MR. M. MOORE: Mr. Speaker, first of all, all of the information that the hon. member gave in terms of his question is news to me and probably news to most of the people in the hospital system. The facts of the matter are that we are moving toward the treatment of mentally ill people in community-based hospitals, and as such we've invited hospitals in both Edmonton and Calgary, firstly the Edmonton General and the Calgary General, to voluntarily move toward meeting the terms, if you like, of the Mental Health Act, so that they may respond, as the member has described, as facilities that can treat involuntary patients.

We would expect then to have hospitals in a number of other regional centres like Grande Prairie, Fort McMurray, Lethbridge, Medicine Hat, and Red Deer move in the same direction. Finally, we would expect more than one hospital in each of the two major cities to be suitable in terms of having the necessary psychiatric wards, facilities, and expertise to take and treat involuntary patients. So we're moving. Mr. Speaker, I think as rapidly as we possibly can, and it's in the hands of the hospitals themselves as to how soon they would want to meet the necessary criteria.

I might just add in closing. Mr. Speaker, that I did have a number of phone calls from Calgary media this morning indicating that the hon. member had had a news conference there alluding to all of this information. We haven't been able to find out where it came from.

MR. CHUMIR: Mr. Speaker, it's never a surprise to members of this Assembly when the minister is surprised at what's going on in his own department.

MR. SPEAKER: Excuse me, hon. member. We're dealing with supplementary questions. We're now a number of weeks into session. This is general advice to the whole Assembly, not simply to yourself. Supplementaries are going to have to be supplementary questions without preamble. The preamble occurs in the main question. Supplementary question, please.

MR. CHUMIR: Mr. Speaker, a supplementary to the hon. minister. Has the minister discussed the matter of when these facilities will be in place with the relevant hospitals in Calgary and Edmonton?

MR. M. MOORE: Mr. Speaker, I have not personally discussed that matter with either of the board chairmen of the Calgary General or the Edmonton General hospital, but there is an understanding that they would advise the Department of Hospitals and Medical Care when they were in a position to be able to meet whatever conditions would be important to meet in moving in the direction of providing mental health services to involuntary patients. I just say again that the hon. member is entirely mistaken with regard to the facts that he alluded to in the preamble to his first question.

MR. CHUMIR: Mr. Speaker, a supplementary. In light of the delay that has taken place in dealing with this issue to date, will the minister assure this Assembly that he will take some steps to expedite the matter rather than to allow it to drift as it has to date?

MR. M. MOORE: First of all, Mr. Speaker, there is absolutely no delay whatsoever. When it comes to treatment of mental health, this province is second to none in terms of both the facilities we provide and the finances we are putting into both capital facilities and the attraction of specialists in that area. I was in Ponoka on Friday and announced the development of a major hospital there to replace existing facilities. All of the new facilities that have been built in the past eight or 10 years in this province have provided an opportunity for hospitals to provide psychiatric services and psychiatric wards. So I make no apologies for the progress we've made. It's been excellent. But it's not something that's just handed down by a minister: it's a matter of co-operation among all health authorities, and that's occurring.

MR. CHUMIR: A final supplementary. Is it the position of the government that it is acceptable to treat involuntary patients from the Calgary and Edmonton regions in regional hospitals such as Ponoka, which are not located in their own communities?

MR. M. MOORE: Mr. Speaker, I would have to answer that this way. For many, many years in this province and elsewhere in Canada the concept of treatment of involuntary

mental health patients saw them going to centres, perhaps one in each province. In fact, for a number of years this province didn't even have a treatment centre. Patients were treated in Manitoba many years ago. The new concept in the treatment of mental health is to try to treat people as closely as you possibly can to their homes and their own communities. We've now moved to a situation where a lot of people who previously might have been sent to places like the hospital in Ponoka or the one here at Oliver are being treated in their homes, their own communities, and in community-based hospitals. That is not only the position of the government; that's the position of the health care professionals and everyone who is knowledgeable about the treatment of mental health. We're going to continue moving in that direction.

The hospital in Ponoka, for example, used to house some 1,700 patients. It's now down to 400 patients, and that's with a much larger population and more incidents of mental health disease than we previously had. The balance of those patients are either being treated in their own homes and communities, in community-based hospitals, or they have been treated in a hospital like Ponoka and returned to their communities. The length of stay in Ponoka has dramatically decreased over the last few years.

I'd be very happy, Mr. Speaker, to debate with the hon. member at any time the provision of mental health services in this province, what we have done over the past few years, and the direction we're going.

MR. MARTIN: Mr. Speaker, a follow-up supplementary having to do with backup services and deinstitutionalization. There was a report a couple of years ago from the Boyle Street-McCauley area, which indicated that people from Alberta Hospital were being dumped there without the proper backup services. My question to the minister: has the minister had a chance to assess that particular program and give us an update? In fact, is this happening in that area?

MR. M. MOORE: Perhaps the member could clarify what he means by "proper backup services." I'm not sure.

MR. MARTIN: There's no place to live for some of these people; they're not getting counselling: the backup services for them.

MR. M. MOORE: Is the hon. member referring to people who were released from the hospital then? Mr. Speaker, that's an important question, and I am not sure that I could say that I'm satisfied that there is the proper kind of counselling throughout the entire province for people who have been released from either Alberta Hospital, Oliver, or Alberta Hospital, Ponoka.

Certainly it does take a good degree of skills at the community level to assist people who have been treated and then released to make sure that they don't wind up going back into the same institution. I know, for example, from my visit last Friday morning to Ponoka that there are a good many people who are treated there and are released who wind up going back there. We want to strive very hard, if we possibly can, to provide the kind of community-based services and professionals that would lessen the incidence of people being released and then having to be taken back to the institution again because there's not the kind of community health that's required.

But I'd just conclude by saying that, you know, we're really dealing with something that the government can

provide some assistance to in terms of money and professional people, but we're also dealing a great deal with a community problem. People, individuals and families, have to assist people with mental health problems in regaining their confidence in the community and getting started often-times on a new life and a new direction.

#### Low-alcohol Beverages

MRS. KOPER: Mr. Speaker, my question is to the chairman of the Alberta Alcohol and Drug Abuse Commission. Although the board has no regulatory powers over the sale of alcohol, it certainly is a good resource for information regarding alcoholic beverages. My question is: is the chairman aware of any beverages containing alcohol that are sold in grocery and convenience stores throughout the province?

MR. STEVENS: Mr. Speaker, there are available in stores a number of products of a variety of kinds which contain alcohol, and there are certainly a number of beverages that contain alcohol in stores. Most of these products contain alcohol of about one-half of 1 percent — about one-eighth to one-twelfth of the level of alcohol that would be available in beer in a regulated outlet. They're not generally advertised widely or promoted, and I would assume that the people buying these products would do so because they prefer the flavour of beer or wine but do not want to have a high-content drink.

MRS. KOPER: Is the chairman aware of a new product on the shelves of stores in the province that contains more than .5 percent, called Sarasoda?

MR. STEVENS: Mr. Speaker, there are a number of products, perhaps two or three including Sarasoda, which have a content of alcohol of about .9 percent or nearly double the kind of products I just mentioned, which are known as de-alcoholized beverages. This particular product comes in a bottle that looks like an European import beer bottle. It has a twist-off cap like a beer bottle cap. It is being marketed widely throughout the Canadian marketing area, including Alberta now, for young people. So there is a product with .9 percent that is available in stores for people.

MRS. KOPER: In view of the fact that this is a beverage for children as well as adults, is AADAC planning to take any action in this regard — this or other similar products?

MR. STEVENS: Mr. Speaker, the commission hasn't come to a final conclusion about this product, but I will convey the commission's concerns to the Solicitor General. There is a concern, I think, that all parents should be aware of this product and the fact that the company is targeting young Albertans for this product so that they will have an opportunity to make an alcohol decision at an early age.

MRS. KOPER: A final supplementary to the Solicitor General. Why is this product not sold in liquor stores, and how can children have access to such a product?

MR. ROSTAD: Mr. Speaker, the Liquor Control Act specifies that products with 1.5 percent or in excess of that are under the jurisdiction of the Liquor Control Board. Anything that contains alcohol of less than that amount is not within our jurisdiction. But I might add that I am aware of this

product, and I believe it's being directed as an alternate to young adults. I don't think it's specifically being addressed to children.

#### **Weather Modification Program**

MR. FOX: Mr. Speaker, my question is to the hon. Associate Minister of Agriculture concerning the hail suppression program. In light of the positive recommendations made by the review committee of the Alberta Weather Modification Board that the hail suppression program be continued and its boundaries be expanded due to the positive results of cloud seeding, could the minister tell us why it was deemed necessary that this project be cancelled for this year?

MRS. CRIPPS: Mr. Speaker, the hail suppression program has been essentially a research program. If you're going to continue with a research program indefinitely without doing a study of the analysis and the data provided, it is no longer a research program. So this year we are concluding a study of the data and analysis that is available and hope for a report by the middle of October.

MR. FOX: A supplementary, Mr. Speaker. A review of this took place in 1979. Is the minister suggesting either that the review was not sufficient or that Alberta's weather has changed that much in five years that the results are inconclusive?

MRS. CRIPPS: Mr. Speaker, I'm sure the member has heard of a review of the review. We are analyzing the data that is available and hope to have the report out in the middle of October. We've had many people who claim that the weather modification program is very beneficial, and we also have people who have the opposite point of view. So we're taking this year to analyze the data.

MR. FOX: A supplementary, Mr. Speaker. The results, I think, are quite clear. The 10 percent reduction in hail damage produces a two-to-one return on the investment. Is the minister not familiar with these, or does she doubt the results that were presented last time?

MRS. CRIPPS: Mr. Speaker, the hon. member is indicating that every year the weather is the same. I mean, anybody that's lived in Alberta knows that if you don't like the weather today, wait a while; it'll change. Quite frankly, some years we have a record number of hailstorms, and some years there are minimal numbers of hailstorms. That's included in the data.

MR. FOX: A supplementary to the associate minister, Mr. Speaker. Has she not reviewed the presentations by INTERA, a company in Penhold that's willing to run the program at a much reduced cost while the review is taking place?

MRS. CRIPPS: Yes, I have.

MR. HYLAND: A supplementary question. Mr. Speaker, to the minister. While this review is being carried out, has the minister instructed those carrying out the review to deal not only with hail in the area that's represented by the initial study but with the effect it has on hailstorms in adjacent areas or areas beyond?

MRS. CRIPPS: No I haven't. Mr. Speaker, but I do know that is a contention of some people in this area surrounding

the hail suppression area, and I look forward to the debate in the Legislature on that issue.

MR. TAYLOR: Mr. Speaker, to the better half of the Minister of Agriculture. Could the minister explain why she is not willing to go ahead with the program when there are farmers willing to put their own money alongside the government money to continue the program?

MRS. CRIPPS: Mr. Speaker, everyone's willing to put up their money providing the government puts up a major share over and above that. For this year the Alberta Research Council has committed \$1.5 million to retain staff and continue the research work, and the Department of Agriculture has committed \$500,000 to ensure that that data reaches a report stage.

MR. SPEAKER: The time for question period has expired. Is the Assembly willing to recognize the Member for Athabasca-Lac La Biche with two brief supplementaries?

HON. MEMBERS: Agreed.

#### **Transportation Deregulation**

MR. PIQUETTE: Thank you very much, Mr. Speaker. A question to the Minister of Transportation and Utilities. In the Alberta government's response to the federal proposal on transportation reform, of which I have a copy here, this government has endorsed transportation deregulation wholeheartedly. What steps has the minister taken to ensure that air service to remote areas of Alberta will not suffer in the federal government's drive to deregulation?

MR. ADAIR: Mr. Speaker, I'd like to relate that question to the Minister of Economic Development and Trade, who handles the air services side.

MR. SHABEN: Mr. Speaker, in the proposed legislation that was recently tabled, provision was made for northern points in Canada where limited deregulation could occur, and that's an area that needs further discussion. There is a recognition that in some northern parts of Canada complete deregulation may not be as helpful as it would be throughout the major part of our country. So there is a provision within the legislation, and I believe it generally follows the 55th parallel across Canada in terms of the point at which regulation and deregulation change.

MR. PIQUETTE: Will that be a written commitment from the federal government? There are a lot of northern people who are very worried about a loss of service in the northern part, like Fort McMurray. Will that be a written commitment or just a proposal at this time?

MR. SHABEN: Mr. Speaker, the Minister of Agriculture and I intend to meet with the new federal minister. Our understanding is that that is an undertaking of the federal government with respect to northern air services.

MR. PIQUETTE: Mr. Speaker, to the Minister of Transportation and Utilities. In the first five years of transport industry deregulation in the United States over 350 midsize trucking companies have gone bankrupt, throwing approximately 130,000 people out of work. Has the minister directed his department to study the impact of deregulation

on the trucking industry and jobs in Alberta and to help Alberta's small and midsize trucking companies when such deregulation takes place?

MR. SPEAKER: Excuse me, Mr. Minister. The Chair has great difficulty. First we're talking about northern air transportation. Now we're into deregulation with respect to trucking.

MR. PIQUETTE: It's all deregulation.

MR. ADAIR: I've almost forgotten the question now, Mr. Speaker, it was so long. It was related to the trucking industry and whether those who may or may not lose jobs — I have to have the question clarified, because it was fairly long in the sense of what you were really after.

MR. PIQUETTE: Okay. The question is: has the minister directed his department to study the impact of deregulation on the trucking industry in Alberta, especially the small trucking firms that have been going out of business in other countries like the United States, where deregulation has taken place?

MR. SPEAKER: Excuse me, hon. Member for Athabasca-Lac La Biche. Would you be seated, please. Would the Member for Athabasca-Lac La Biche be kind enough to bring his question with respect to the trucking issue back tomorrow.

The hon. Minister of Hospitals and Medical Care would like to supplement information given last Thursday in question period. All those in favour with respect to the House, do you agree?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Any opposed?

MR. TAYLOR: No. Yes.

MR. SPEAKER: No, yes — that's a very difficult decision. The Chair will try and phrase the question in an appropriate manner now that we have the attention of the House entirely.

Is the House willing to give unanimous consent to the Minister of Hospitals and Medical Care giving further additional information to the Assembly? All those who are in favour of that motion, please say aye?

HON. MEMBERS: Aye.

MR. SPEAKER: Are there any opposed?

MR. TAYLOR: No.

MR. SPEAKER: The Chair notes that no one was opposed, because they were asked, "Are there any opposed?" and the answer came back, "No, there are none opposed." Therefore, the Chair recognizes the minister.

MR. TAYLOR: On a point of order, Mr. Speaker. Isn't the question what to vote, and then part of the crowd — or in this Assembly, of course, everyone of the other side — hollers "Aye" and I answer "No" at the same time, and then you hear my "No" and you say no? I'm sorry, Mr. Speaker, but you're putting me in a "Do you still beat your wife?" type of question.

MR. SPEAKER: The Chair hesitates to inquire as to what the answer is with respect to that. The Chair put the question "Are there any opposed?" to which the Chair heard the answer "No." So if the question is "Are there any opposed?" the response would be "Yes."

MR. TAYLOR: Yes, I am opposed.

MR. SPEAKER: Thank you. The Chair ...

MRS. CRIPPS: He just wants to ask the questions, not hear the answers.

MR. SPEAKER: Excuse me, hon. minister. The Chair has now received further clarification that in future the Member for Westlock-Sturgeon will listen to the question, no matter how devious it may sound.

The Chair also has been recipient of a note. Perhaps we could try this one on. One of the ministers would like us to return to returns and tablings. Do we have the consent of the House to return to that item of business? All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

#### head: **TABLING RETURNS AND REPORTS**

MR. HORSMAN: Mr. Speaker, I am pleased to table the annual report of the Department of the Attorney General for the year ended March 31, 1985.

MR. MARTIN: Mr. Speaker, on a point of order. There seem to be some problems on both sides dealing with ministers coming back the next day in terms of question period. Can I make a suggestion that the House leaders get together and try to work this out so we don't run into this problem day after day?

MR. SPEAKER: The Chair recognizes that the issue we've had before us is the matter of returns and tablings, which is an entirely different matter than what has now been raised by the Leader of the Opposition.

A number of days ago this issue, as related by the Leader of the Opposition, came up. At that time the Chair said it was willing to meet with House leaders who cared to do so. At that stage the matter was directed toward the Representative Party and the Liberal Party. The Chair did not receive any communication on that date. Therefore, since the Member for Edmonton Norwood has raised the issue, the Chair is indeed willing to meet with the various House leaders of all political parties to deal with that issue and is entirely willing to do so at the convenience of said members.

#### **ORDERS OF THE DAY**

##### head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

MR. CHAIRMAN: The committee will come to order, please.



**Department of  
Transportation and Utilities**

MR. CHAIRMAN: The first department in supply will be the Department of Transportation and Utilities, dealing with the material you have on page 377 in the large book and page 159 in the element details. The legislative authority dealing with these votes is found on the facing pages to the votes. I call on the hon. Minister of Transportation and Utilities to make some opening comments.

MR. ADAIR: Mr. Chairman, it's a pleasure for me to make some opening remarks about the 1986-87 budget for the Department of Transportation and Utilities. What I might be able to do is relate some of the accomplishments of 1985 in just one short paragraph. It was a record construction year for the department in terms of quantities of earth moved, miles of pavement, and every other category you want to look at: in one respect a record year in the history of the province when it comes to highway construction. The budget for 1986-87 that you have before you should again come close to resulting in record accomplishments. In '85 there were 220 major contracts issued during the year, and in 1986 there will be 240 major contracts awarded.

The following major initiatives will be undertaken in the primary highway system: the continuation of the Trans-Canada, or Highway 1, and the Yellowhead, or Highway 16, twinning programs, which started back in 1981. This year a total of 10 major projects — that's approximately 80 kilometres — on Highway 1 and Highway 16 will be worked on. This accounts for some \$38 million out of the total primary highway and bridge program of \$223 million. The twinning program is on schedule and continues to be a major priority of this government.

Additional major thrusts in the primary highway program are a start on the Highway 2 median and shoulder-widening to the north of Airdrie. This is the first project which will ultimately upgrade the entire narrow section between Airdrie and Red Deer. Completion of Highway 2 twinning between St. Albert and Morinville is slated for this year; a start on the Highway 64 laning and the North Saskatchewan River bridge replacement north of Devon; and an initial shoulder-widening project on Highway 63 north of Wandering River. Ultimately the entire narrow road from Wandering River to Fort McMurray will be upgraded, but as I said, one project is included for this year. Included in the '86 program are two major grading jobs on Highway 40 plus completion of five projects started back in 1985. The road grading will be completed by the end of this year, and the new highway connecting Grande Cache and Grande Prairie will be open to traffic. Secondary road 734, commonly referred to locally as the Forestry Trunk Road, will see grading continuing, and it will be completed in 1987.

The primary highway system is continuing to be developed and surfaced. At present more than 85 percent of the system is paved. Some of the roads that are not paved are Highway 67 — that's Fort Vermilion to Slave Lake or Slave Lake to Fort Vermilion, whichever you want to look at — Highway 58 west; Highway 64, Worsley west; and Highway 40, Grande Prairie to Grande Cache, which is just in the process of being completed. The '86 program includes some 300 kilometres of gravel primary highway being asphalt-surfaced.

Under the secondary road program, Mr. Chairman, the department has continued the upgrading and paving of the secondary road system, which totals 14,800 kilometres in

length. These roadways form a vital network supporting the rural communities, farmers, recreation and industry, and resource development. To the end of 1985 the paving system had grown to 4,900 kilometres. Included in the 1986 program is the base pavement surfacing of approximately 400 kilometres. The 1986-87 budget for secondary road construction is \$96 million. I use it approximately; it was \$96,588,000 to be exact, compared to \$93,639,000 a year ago.

In March 1979 a \$20 million resource road improvement program was initiated to assist rural municipalities with improving local and secondary roads that function as major resource routes. Since 1979, 2,160 kilometres have been regraded and 1,545 kilometres surfaced. In addition to the 1986-87 \$50,106,000 resource road improvement program, the '86-87 budget includes a new \$5 million local resource road grant program to assist rural municipalities with the upgrading of short sections of local roads carrying heavy traffic. For example, if it turns out a road is now subject to heavy loads, subject to, say, the oil industry and the hauling of those particular products, we can move fairly quickly to assist the municipality in that area to upgrade or to work on the restoration or preservation of that particular section of road.

The pavement rehabilitation program was initiated in 1980. To the end of 1985, 2,450 kilometres of older pavements were overlaid. While primarily this program was implemented to restore the primary system, some 100 kilometres of secondaries were repaved as well. During that period of 1980 to 1985 some \$225 million has been expended on pavement rehabilitation. This has been a high priority of this government, as the first priority must be to protect the existing pavement areas of the province.

A \$30 million highway safety construction program involves 46 lighting installations in the province; 70 skid-resistant surface treatment projects; construction of passing lanes on two-lane highways; improving of passing opportunities in 15 locations; installation of rumble strips, designed to alert drivers that they are approaching stop signs, at 30 locations; widening of 190 intersections to provide for turning lanes; provision of assistance to municipalities to improve safety at 300 railway crossings; installation of highway markings, guardrails, and signing; provision of stop and yield signs to rural municipalities for installation at all intersections on school bus routes; the installation of traffic and pedestrian control signals; and the construction of roadside turnouts and rest areas.

In the area of urban transportation this is the second year of the major \$475 million urban transportation assistance program announced in November of 1984. A total of just under \$150 million will be made available in 1986-87 for transportation assistance to 17 urban areas in the province for upgrading of both roadways and public transit within their jurisdictions.

Now if I might move over to the utilities side. Mr. Chairman, the rural gas program which commenced in 1973 has made natural gas services available throughout rural Alberta. More than 88,000 services have been built in to serve some 290,000 to 300,000 Albertans, and the distribution system involves about 53,400 miles of pipeline; that's 86,000 kilometres, if you're of the younger set in that sense. It also covers the provision of services to 950 grain dryers and 3,100 irrigation projects in the province.

The rural gas co-ops and county gas utilities faced many difficulties in the early stages of the program. However, due to the hard work of many dedicated rural people who served on those co-ops, these rural gas utilities have matured

and are now operating on a very sound and economically viable basis. As a matter of fact, 51 of the co-ops are using the billing services provided by the department, and that serves some 30,000 customers, indicating that most of the smaller co-ops are, in fact, using the billing services provided by the department.

During the current fiscal year we expect that an additional 5,000 rural services will be constructed throughout Alberta, including the installation of about 2,500 miles of new gas pipelines. Now the question may be asked: "How many more might there possibly be eligible to receive services?" The best estimate we have at this time is that there are approximately 20,000 services that at some point or another will be applied for.

In addition to the shielding provided to all Albertans through the natural gas price protection plan, the primary agricultural producers' rebate program makes available further rebates on natural gas used for farming purposes. This program aimed at reducing farm input costs is expected to benefit 6,000 applicants in the 1986-87 year. The average benefit to an agricultural producer in the '85-86 year was about \$715. That also includes a maximum use of 10,000 gigajoules for the rebate, and the average residential home uses approximately 200 gigajoules. Of course, that agricultural program, as was stated much earlier, involves greenhouses, poultry farms, alfalfa plants, and a number of other agricultural related programs.

In the area of REAs in vote 9, we expect that the new master contract between the REAs and the power companies will be implemented this summer. I had the opportunity to meet with both the REAs and the two power companies to go over just where they were at with that. The latest information I have on that particular program is that 87 REAs have signed the new master agreement; 45 have signed totally, and 44 of those have been signed by the power companies. That's in the Alberta Power and the TransAlta Utilities areas. Forty-two REAs have signed the contracts, and the power companies are attempting to sit down and discuss just exactly what it is before they sign that. It's our hope that that will be done very, very shortly indeed and that we can get on with the job of trying to rationalize some of the other concerns that have existed between the REAs and the power companies in the province of Alberta. In the area of loans, some 1,357 loans were made to farmers under the REA fund last year, and that included 519 three-phase services. We expect there will probably be about the same number of requests for services this year.

The municipal water supply and sewage treatment grant program is now focussing on the upgrading and expansion of facilities in towns, villages, and hamlets. During the last fiscal year, Mr. Chairman, 119 municipal projects were approved, and construction of major water supply and sewage treatment projects in the cities has almost been completed. Construction of regional water and sewer systems is nearing completion, with the current emphasis on the capital regional sewage system in the metropolitan Edmonton area.

Two new initiatives that we talked about are the agricultural processing industry's grant program, which assists municipalities with the development or expansion of water and sewer services and facilities to accommodate agricultural industries, and the Alberta farm water grant program, which assists farmers and ranchers with the installation of water transmission systems. This second initiative has already proven to be very successful and is funded on a 75/25 cost-sharing arrangement. To date more than 1,150 farmers

have been assisted since its inception in September of last year.

I would suggest, Mr. Chairman, that it should be noted that the Department of Transportation and Utilities has reduced its permanent staff by some 61 positions this year; that's the combination of the two departments: the former Department of Utilities and the former Department of Transportation. This is part of a continuation of the multiyear staff reduction program that has resulted in some 200 positions being eliminated over the last number of years.

I would suggest, Mr. Chairman, that when it comes right down to it — the total job-related aspects of all of the budget implications for dollars in both transportation and utilities — it's estimated that in this year alone, some 50,000 jobs will be created by the approval of these programs.

Thank you, Mr. Chairman.

MR. STEVENS: Mr. Chairman, before referring some specific questions and concerns to the minister, I would like to take a moment to compliment him, his predecessors, and his officials for the outstanding work that is done by this department, among many departments in the province. Certainly transportation is a very visible department. The lives of the men and women who work on and near our roads throughout Alberta — those who work directly for us, in many cases, or are contractors — can be in jeopardy when they are working during busy traffic times. I think all of us throughout our constituencies are well aware of the excellent work that's done by officials of Transportation and now Utilities and Transportation.

But I would like to bring to the minister's attention some concerns that I have driving back and forth to the constituency, and I raise them in this order. If anyone leaves the House on a Friday afternoon, drives south, and approaches Red Deer, there is very major work, as the minister mentioned, Mr. Chairman, of overlay on Highway 2. I'm very concerned that the contractor there, either with or without appropriate supervision or RCMP involvement — there were at least two accidents that I witnessed last Friday. Drivers were driving south at 60 or 65 miles an hour, and the one line was 10 miles long on Friday at about 6:30 in the evening. There were two accidents that I observed, and it seems to me that there could be a greater co-ordination between the officials, their contractors, and the RCMP in that area to get advance warning of something about to happen, that something is coming, like a sudden stop. I've seen that on the last three weekends, so I raise that with the minister to have special concern, as that job looks like it still has a number of miles to do.

The same thing, Mr. Chairman, is returning to the Legislature on a Sunday night or any other evening where there is interurban traffic between, let's say, Leduc and that area of the province and Edmonton — the pileups that we saw this weekend and the length of the traffic backups. I know that the problem of building roads in a tourist season is very difficult, but it seems to me that there has to be more consideration given to advance knowledge, not just one kilometre or three kilometres. It may be that at the times traffic picks up, there needs to be some special advance alert. Drivers do not expect to find the traffic going down to one lane going northbound from Leduc with a sudden stop and piling up into cars ahead of them; I saw one again this morning as I came back. Where the officials are standing, it's all very adequate, but I'm talking about

far back, where drivers should be given much earlier awareness of these problems.

Mr. Chairman, I'd also like to compliment the department on the work that's been done in my constituency for the Olympics: the Canmore Nordic Centre and the road through Canmore, working with the town council of Canmore and the town of Cochrane. And I assume that the passing lane that will be developed north of Cochrane on Highway 22 is in the minister's budgets for this year.

But I would like to ask the minister to give consideration to the oldest pavement in Alberta. The Bow Valley Trail, Highway 1A west of Cochrane through to Canmore, is one of the oldest paved highways in this province. Parts of that road are a disgrace. Parts of that road were badly beaten this spring. There needs to be some work done on this old part of the highway to make it safer, easily travelled, and a good agricultural distribution road.

I'd also like to ask the minister if he would look at updating us, or at least this member, on the Smith Dorrien connection between Canmore and part of Kananaskis Country. You might think of as the Y: Highway 40, the Kananaskis Trail from number 1 south to the Peter Lougheed Provincial Park, then the Smith Dorrien road returning from Peter Lougheed Provincial Park to Canmore. I know that the community of Canmore and the surrounding Bow valley communities have expressed some concerns that this road is apparently still in gravel. Upgrading it to a paved surface, complementing the remainder of the roads in the Kananaskis Country area, would give the tourist industry in the Canmore and Bow corridor area quite an improvement.

Finally, Mr. Chairman, I'd like to ask the minister if he is aware that the federal Minister of the Environment, who has retained his post in the recent federal cabinet shuffle, has for some time been endeavouring to implement a drive-through fee for Albertan drivers or visitors to our province who would drive on the Trans-Canada Highway west of the east gate of the park and through to British Columbia. For some time he and former ministers have been endeavouring to establish a fee; this would be like a tariff for the movement of people. If the federal minister has his way and the Treasury Board, in its federal wish to deal with the deficit, imposes a drive-through fee, would the provincial minister do whatever he can to encourage the transfer of the Trans-Canada Highway through the national park to Alberta so that when revenues recover, we'll be able to continue to develop that road properly, as it should be, for the Alberta visitor and other tourists?

Thank you, Mr. Chairman.

MR. PIQUETTE: The estimates from Transportation and Utilities is a fairly lengthy document, but I'd like to indicate that from what I've been able to look at, the portfolio as a whole comes out to a total of \$980 million, the fourth highest budget of all the ministries, after Hospitals and Medical Care, Education, Social Services, and Advanced Education. Together the budget of the two divisions has fallen by 4.2 percent from last year. Transportation fell by 2.1 percent, from \$877 million to \$858.8 million, and utilities declined by 2.7 percent, from \$172 million to \$168 million, including the budget for the Alberta Electric Energy Marketing Agency.

In terms of summer employment, I have to point out that one of the most important job-generating sectors in the government in terms of expenditures is definitely the transportation area. I'm quite sad to see that the transportation area has fallen by approximately 2.1 percent. We should

perhaps have looked at spending more money this year, especially with the lower costs of a lot of the contracts the government is able to get this year in terms of road construction. A much higher emphasis could have been placed by Transportation on developing a lot more roads in terms of the tourist areas; for example, providing a lot of roads that are needed to give tourism in northern Alberta a much greater emphasis. Without good roads — excellent roads — you just don't attract many tourists in many of our provincial campsites that are second to none in Alberta.

The ministry's budget is divided between 20 percent for operating expense and 80 percent for capital construction. The ministry will also be responsible for administering \$30 million worth of capital project funds for the universal rural private telephone line service. The government should be applauded for adopting our idea about private lines in rural Alberta, except that I would like to comment that it does include user fees of approximately \$500 per rural customer and does not address the need to move toward the use of fibre optics so that the installation will not be outdated within the decade. I think the government should review that policy, and I'd like to have the minister respond about the possibility of going to fibre-optic technology. For example, in relation to the whole research and technology department that we have just created, people in the computer field have indicated to me that the lines contemplated by the government in rural Alberta might not be up to date in terms of personal computers on the lines. Personal computers might create interference on the lines, so that should be looked into when we're upgrading our rural telephone lines.

In terms of highways, this year more than three-quarters of the Transportation budget will go toward the construction and maintenance of highways. There are a number of issues to take up with the minister on this, ranging from the general philosophy of highway construction to Highway 16 and the awarding of heavy equipment contracts in construction. While Marvin Moore was the minister last autumn, he said unofficially that all secondary roads in the province should be paved within the next 10 years. Is the present minister committed to this idea? Has he studied the viability of doing so? We would certainly support it. It would be a boon to rural Alberta, the construction contractors, and thousands of unemployed Albertans, and also in terms of developing tourism and secondary industries.

Is it still the policy of the department to allow each town and village only one paved highway access, without exception, or will the minister agree to look at each situation on its own merit? I can give an example of this in terms of Plamondon, the village where I come from, where they have one access. There is a real traffic problem in terms of the connection north of Plamondon to Highway 63. The latest traffic count is approximately 360 to 400 vehicles per hour on weekends. With the roads not being paved, the people are complaining about ruts, potholes, dust, et cetera. In terms of a number of situations that could be looked into in Alberta. I think two accesses to villages and towns would be something we would recommend the department look at in terms of alleviating this problem.

The twinning of Highway 16 is scheduled for completion by 1991, from what we were told. This was set up by minister Henry Kroeger in 1981 as part of a 10-year plan. After five years, 329 kilometres of the 560-kilometre-long highway remain untwinned. Only 40 percent of the kilometres have been completed in half the time allocated — 40 percent, and we're already halfway through the project. Marvin

Moore hinted last year that the deadline would be extended to 1992. Is the current minister committed to completing twinning by 1991? In light of the average of 20 fatalities per year, the concern of municipalities along the route, and Alberta's desperate unemployment situation, will he undertake to accelerate the process by which the highway is being made a safer passage for transport?

In April of 1984 Moore announced a five-year street assistance program for towns and villages. The plan was worth \$30 million, but we had some problems with it. Financially-strapped towns and villages were forced to pay 25 percent of construction costs and 50 percent of engineering and planning costs. The towns would also have to contract out all work to private contractors, even if they had the personnel and equipment to do the work themselves. We have not seen the benefit of an annual report from Transportation, so we don't know how many towns and villages have taken advantage of this program and how much work has been done. Is the minister satisfied with the performance of the program? Would he consider avenues of supplying funds for construction that would not have as much cost and restriction placed on the local jurisdiction? Again, a lot of the areas in my constituency have expressed that problem, especially where they have the equipment. Where they could be doing the job at a much reduced cost to themselves and to the government, they've been forced to use private contractors with all the other associated costs.

Also of particular interest are the hiring procedures carried out by Alberta Transportation. I've recently received a number of phone calls, brought about by the slowdown in the oil patch, I guess. I think we can appreciate that there is a lot of competition out there for the small contractors who want to have equipment working for Alberta Transportation, improvement districts, or municipalities. The policy of the department at one time was to hire a maximum of six pieces of equipment from any one contractor. From the complaints I've received, this is not being done, especially where contractors have spin-out types of companies: one owner creates two or three companies with the same ownership with his sons or friends, and then they qualify to have up to 17 or more pieces of equipment working for them. I would recommend that the minister look at that practice in order to be fairer to all the contractors in the areas who have equipment working for the government. It should be seen to be fair by the government so that some of these practices are corrected.

As the \$654 million budget represents a good tool for aiding contractors through these tough times, will the minister commit himself to ensuring that the maximum possible numbers of contractors benefit from the department's purchasing policies as well? I think we should be looking at making sure the government is seen to be fair and not simply saying that they are fair. There are always loopholes for getting around some of the department's regulations, which are spelled out.

It is no secret that the government is also hesitating on mandatory seat-belt legislation. We are the only province west of New Brunswick that has no such legislation, despite the obvious benefits it would bring. I think all the statistics indicate that the whole... We were talking about high hospitalization costs. We were talking about workers' compensation, et cetera, and the high cost of medical care. It has been shown that seat belts reduce injuries and death by approximately 30 percent in terms of provinces which have the mandatory seat-belt legislation. Again, in a time of recession, even for the economic aspect — we're not

even talking about the human aspect — isn't it about time that this legislation be brought in so that we protect our future and the population of this province as well as the money of the taxpayers of Alberta?

In the first year of legislation Saskatchewan realized a reduction in fatalities of 19 percent; the total number of accidents rose 10 percent. The province estimated that its savings — hospital charges alone declined by about \$15 million in the first year. The government has said all along that it knows the reason for legislation, but it goes against the rugged individual grain of Albertans. They suggest that more public education would have the same effect as legislation.

The budget for public communication and the traffic safety board in Transportation combine to equal about \$3.8 million, or .4 percent of the funds under the minister's control. Can he say what portion of these funds will be spent on educating Albertans on the benefits of seat belts? What is his assessment of education and its impact on seat-belt use in this province or in other jurisdictions where a seat-belt education program has been successful? Has the government looked at this?

Turning again to provincial policies relating to road construction, I see in the budget that in the construction of roads to provincial parks, there is a decrease of 6.7 percent this year. I thought the government was placing a higher focus and priority on tourism. I don't care what people say; there is definitely a lot of interest by tourists in making sure they can get to some of the lakes they enjoy going to. If we want to develop tourism, especially in northern Alberta, the quality and the paving of these roads have to be a priority. So I find having a decrease of 6.7 percent this year in terms of road improvement to provincial parks to be quite an aberration. For example, I look at Cross Lake Provincial Park in the Athabasca constituency. I passed through it just the other day, and a couple of shocks in my vehicle just about let go. I'm sure a number of people driving there must not want to return too often.

As well, another aspect is the provincial campsites. Some of our provincial campsites up in northern Alberta, like at North Buck Lake and Plamondon beach, register almost as high a traffic count as some of our provincial campsites. Some of them actually have more room than some of our provincial parks. I don't see any commitment by this government to ensure that we provide better quality roads in those areas. A lot of these are improvement district or county roads, and they don't have the budget at all to improve these roads. I would like to ask the minister whether he had made or will be making a commitment to help the municipalities, or in terms of special grants, to ensure that where campsites are well-used and are already established by traffic counts... We need to get away from simply using dust controls on these roads. We need to move in terms of providing a base on these roads so that we are not receiving complaints every year on the roughness of these roads. For example, the local residents who live along these roads see a complete deterioration of their roads because of the high tourist traffic in the area.

I would again like to point out that on the weekend I received a petition from the Plamondon area, as one example. I've received another from the Owl River area, where the residents are really upset about the condition of the roads and feel the government is not acting in terms of providing better roads, especially in the campsites and provincial park areas.

Turning to railroads, one concern within the province is the movement of grain from the Peace River area. For

the past several years farmers have been asking for improved rail links between that district and the west coast. Grain presently travels to Grande Prairie, then along the Alberta Resources Railway leased to CN, to Swan Landing, then on the CN rail line to the west coast. The people in that area have made three proposals that would involve upgrading of tracks in one instance and new construction in the other two. The improvements would relieve pressure on the CN line between Swan Landing and Red Pass junction and would help moderate rate increases across the prairies, as it is a short route and rates are calculated taking all routes into account. Overall, as we all know, the west has really not been well-served by the federal transportation policies since day one.

Since about 75 percent of Alberta's gross provincial product is transported out of province every year, we have a special interest in railway deregulation. As the government admits, the problem is that 60 percent of Alberta's shippers are captive shippers. They have no choice as to what mode of transport they choose for their goods. How will market prices benefit them when they have to live with a monopoly? In March of last year Moore said that the government would consider contributing part of the estimated \$189 million cost of upgrading Canada's passenger rail service. Is this the new minister's idea as well, and has he passed this along to his federal counterpart?

Passenger service is very important to Alberta, especially with the government's new priority on tourism. The northern route Super Continental service is going to be reinstated after a sudden cancellation in 1981, but there is not much cause for rejoicing. The rolling stock is outdated. Many tour operators were burnt by the cancellation and are hesitant to take a chance on the service, and the service may be restricted to three trips a week. On top of this the government has given the service two years to recoup 60 percent of its cost. We say that deadline must be pushed back until new cars, tour operators' confidence, and daily service can have an impact on its financial position. We hope that our ministers will act in the interests of Albertans and ask the federal minister to push back the deadline for better profit in the future.

We notice again that the ARR had an increased deficit of \$9.8 million this year. The Alberta Resources Railway still services only two major industries in northern Alberta. The NADC and economic development ministers have indicated that it is a priority in terms of economic diversification in this province. We feel from this side that the only way to make this railway profitable is to return to its mandate, that the railways there must be a focus of economic development in northern Alberta, in terms of making this transportation - this very vital transportation network — profitable and part of the whole economic development of Alberta. We do not advocate that this railway line be abandoned because I think we realize that it is the only mode of transportation for those major industries out there and also for the rural communities and the farmers. But unless we address the whole aspect of economic development and diversification — forestry in that area — that railway line will probably continue to deteriorate and lose around \$10 million or more every year, supported by the taxpayers. So again we have to start looking; if we're going to lose money, why can't we invest it in areas that will give us a greater return down the line than that money?

Returning to Utilities, going through the TransAlta report, I noticed that our electric revenues for 1985 were \$833 million, up 5.9 percent from \$786 million in 1984. This

was announced by the corporation chairman, Marshall Williams. Earnings applicable to common shares provided a 1985 return of 15.2 percent on the average common shareholder's investment. I cannot for the life of me understand, with the kind of economic recession that we've suffered in the past number of years, how TransAlta and the other utility companies have been able to amass this kind of profit — close to a billion dollars in 1985 — and why we have not passed on some of the savings to the consumer. When we allow a private firm to simply monopolize this area ... One of the things we feel very strongly about in our party that I would like to recommend to the minister and that I think there's been a lot of talk about recently is that if we are going to have a private firm monopolizing the power-producing capabilities of this province, at least let's allow our small power producers to have a fair shake at competing on that market so that it will create jobs and make it at least a competitive system as opposed to the system at the present time, which is a heaven's dream for unfettered capitalism.

Since mid-1985, the Small Power Producers Association of Alberta has been trying to get a regulatory change to the Electrical Energy Marketing Act. It needs only an order in council that would allow for the development of renewable and clean power sources. Their proposal is to have the AEEMA purchase a maximum of 30 megawatts of power a year, or approximately five-tenths of the power on the interconnected grid, from small power producers generating power on their own land, mostly in southern Alberta with windmills. They expect that purchasing this power will inject approximately \$843 million into the pockets of farmers and ranchers over the next decades and will inject a further \$100 million into the economy in the development and sale of alternative power generating equipment.

Again, we would like to ask the minister what his stand on the small producers is. When these hearings with the Public Utilities Board take place, will he act to ensure that they will be allowed to sell power on the provincial grid? In my constituency, the Athabasca charcoal and animal feed manufacturing plant is being proposed and has made application to the Public Utilities Board. Premier Don Getty, during the election campaign, made a commitment that he would personally support the Athabasca or agro-power association petition.

I would also like to ask the Minister of Transportation and Utilities if will he ensure that this proposal, which will soon be before the Public Utilities Board, is encouraged to pass a needed adjustment to the sharing of the provincial grid. What they are recommending is that they be allowed to sell — I don't have the documentation here as to exactly what they're asking in terms of the percentage of the cost or the revenues, but they're looking at getting pretty well what the consumers are now having to pay in terms of the 7 percent return on their money, which is a lot further from the whole 15 percent return that TransAlta is presently getting.

The small power producers in my constituency will probably generate around 150 permanent or part-time jobs. There's even talk that if this is allowed to continue, a second plant up in the Lac La Biche area is also envisaged by the developers. So I think it's very, very important, especially in an area where welfare is so high that our government ... Again, the wastage of money in those areas in terms of paying welfare — it's almost the situation now among about 80 percent of the native population in that area that their major source of income is directed from the

welfare roll. These types of plants which would create a lot of jobs in the timber area in terms of cutting, et cetera, would generate a lot of needed jobs, especially for the northern Albertans living in my constituency. So I would urge the minister to personally pay attention and note the demands of the small producers of Alberta in terms of the spin-off benefit and the economic development potential that it will project for Albertans.

At this time, I think I will sit down. I believe I've asked a lot of constructive questions for the minister to answer. I hope he pays special attention to a lot of these, and I'll be looking forward to listening to his response. Thank you very much.

MR. DROBOT: Mr. Chairman, I would like to make a couple of short comments regarding the transportation department, followed by a question or two to the minister. It's also a golden opportunity to thank Marvin Moore, the past minister in the transport portfolio, for his co-operation and understanding in dealing with my particular constituency and the road concerns in northeastern Alberta. Also, on behalf of my constituents, to Alberta Transportation from the top level to the regional and district engineer, my sincere thanks for their co-operation for many years in my municipal experience. I know that the new minister has a soft spot for northern Alberta, but I also hope that his pocketbook will be opened. In fact, I receive more calls and letters about roads or lack of them than I do about any other concerns. We have to realize that as the province developed from south to north, so did our road network. Northern Alberta has just lately come into its own with oil development, acreages, small farms, and tourism, with a crying need for a bigger and better road system: a sign of progress, certainly.

The St. Paul constituency is the gateway to the lakeland, and our road network is of extreme importance to the well-being of northern Alberta. Yes, we have opened a new bridge at Elk Point, and another one is being completed at the meridian, a joint venture with the Saskatchewan government. Improvements are coming on stream. Our Alberta transportation system has made great progress in the past couple of decades in primary highways, airports, et cetera. But as is always the case, we cannot and must not sit back on our achievements. We realize that there is an economic downturn, but by accelerating our secondary highway program, we would be moving forward in job creation, tourist mobility, and tourist development.

I personally take this opportunity to invite the minister and every MLA to tour our beautiful lakeland area in northeastern Alberta, where there are thousands of lakes, natural scenic beauty, and natural tourist attraction. It's a tourist Utopia except for the road system.

My question regards the status and future funding for secondary roads: can some secondary roads be brought to a paving standard with subsequent paving? The people in my constituency, Mr. Minister, richly deserve that and so does the travelling public.

MR. ALGER: Mr. Chairman, I too would like to add my vote of thanks to the former Minister of Transportation, Marvin Moore, and many of his staff. The co-operation with the Member for Highwood was just exceptional, I thought, in the last three years, and we've accomplished a great deal down there. We've worked with fellows like Bernie Kathol, Harry Protopappas, and Blair Deman, just to name a few. Even the executive assistant, Laurie Pushor,

was an exceptional help to me in all my problems down that way.

Now, when I refer to problems, I also refer to accomplishments, I guess. I want to stress that very vehemently, because I see that on some of the notes where I've indicated things I'd like done . . . As I went cruising through last week's mail, I discovered that the new minister, Mr. Adair, has already answered some of the questions I was going to ask. For instance, highway 546 from Turner Valley to the Kananaskis, which is a desperate situation and has been for a long time — he's answered the call to get after that one. It's an especially pleasant route into Kananaskis Country, and we appreciate that, Mr. Minister. Number 783, which I think is a newly numbered road, would indicate to me that you're busy on that one as well.

However, I would like to describe to you, sir — I didn't hear you mention that Highway 22X, from the overpass south of Calgary out to the corner at Priddis, is scheduled for four-laning. While I was on it on Sunday, I saw no machinery whatsoever lined up, and I should think that this would be about the time of year to get after it. I'd also appreciate, Mr. Chairman, the minister finishing the road to Bragg Creek. It's 10 years overdue and has been in the works for a long time and, of course, we desperately need that done.

On behalf of the Member for Macleod, the Minister of Tourism, and myself, I would like to suggest to the minister of transportation that Highway 2 be fully developed as a four-lane highway through the rest of the Highwood constituency, down through the Macleod constituency, and from there on right to Fort Macleod. Having personally taken the former minister down through that country, he realized at the time, and I'm sure you will too, that this is a desperate need for the heavy, heavy traffic that emanates from the southern areas, particularly from the American border, not only for heavy truck transportation but for all kinds of tourist and, indeed, local transportation. It's a dangerous blessed road, and we kill a lot of people between Nanton and Parkland until they get used to fact that they're back on a two-lane highway. I'd like to see that straightened out and have a four-lane, median highway installed, as soon as we can possibly afford it.

There are other things in Fort Macleod that have to be done that have some bearing on my constituency. For instance, number 3 from Fort Macleod to Monarch is another road that desperately needs twinning. I think it's been scheduled, but we don't know when you're going to get it done. If the other MLAs will allow, I'll get all the transportation money there is, if there's any way to do it.

I think I've indicated to the minister that on the same Highway 22 that he's going to overhaul to the Priddis corner, I'd desperately like him to do something for that road right into Turner Valley and beyond. But the scheduled road that is there now, from Longview to the Chain Lakes and down to Lundbreck, is in absolutely perfect condition for paving, Mr. Chairman, to the minister. It should be done now, before it gets out of condition and requires a lot more money than I would like to see spent on it.

In Priddis, a new part of my constituency, I've looked and inspected and agree with the highway engineers that the bridge in that town must be realigned. It's a rather odd situation in that the bridge seems to be kitty-corner to the town's main street. People come off it and run into fences and all kinds of nonsense. I really don't know why they do that; I guess they're just going too fast, for the most

part. But if we straightened it out and signed it properly, I'm sure we could avoid a lot of problems there.

I could go on for hours about the roads in Highwood, but having made these few remarks, if you would give me an audience as soon as possible in your office and maybe even the time of a given day, I think we could go through the constituency rather thoroughly, as I have done before with former ministers, and our accomplishments will be more than somewhat.

Thank you, Mr. Chairman.

MR. FOX: Mr. Chairman, if there's any money left after spending it in Highwood, Vegreville needs a little too. I'd like to start, too, by offering congratulations to the minister. I think it's a good move to combine the two departments under one portfolio. I think they naturally fit together in many ways. I think we can look for a more streamlined delivery of service and policy in the future. I'd like to ask a few specific questions about some areas to the minister, Mr. Chairman, if I might.

Concerning the twinning of the Yellowhead Highway, it's something that's of great interest to all people in northern Alberta and certainly of interest to the minister and a stated priority of the department. I wonder if we can get some more specific dates in terms of completion estimates for different sections of the highway. We're just about completed all the way from Edmonton to Vegreville now, and portions of the highway east of there to Lloydminster have been twinned already. We recognize that it has great benefit for tourism in the area. There is a heavier and heavier volume of traffic travelling the highway both east and west of Edmonton. If we could get some information in a more specific way from the minister about his estimated completion dates for the various sections of the Yellowhead Highway, that would be a big help.

They had stated in the past, Mr. Chairman, that there was going to be a greater commitment of funds to this project. I just wonder if we could get some comparison of moneys spent on this project in 1986 as compared to 1985, 1984, and so on, if it's possible just to see... If there's anything we could do to speed this up, it would be greatly appreciated by residents of northern Alberta.

There is another thing that I was wondering about, and the minister could perhaps advise me on this. We have to recognize that whenever anything is done for the overall benefit of the public, there are groups that are affected by it. There's some negative impact for every positive step that's taken. There's been concern expressed by some businesses in the very large town of Vegreville about what impact the bypass and twinning will have on their business prospects.

I know the department has made some arrangements to build overpasses at either end of the town, which will certainly help facilitate the flow of traffic into Vegreville. But I was just wondering if the department has ever given consideration to some sort of compensation to affected parties in instances like that. What I'm suggesting is perhaps a sign at either end of the town that promotes the businesses that exist within the town, the ones who have lost this direct off-highway business. It might not cost very much money and would certainly build a lot of goodwill in the community for the department of transport. Just a specific suggestion there. I think the government's program to have these rural resource roads help provide funds is a very good and welcome one, and one we'd certainly like to see continued. I've had some concerns expressed to me by a

couple of towns in the constituency about grants. As much as 75 percent of the costs are available to fix up a road that has increased volumes of traffic on it, but they're not able to come up with the required one-quarter on their own. I wonder if there is some way the amount of funds available under programs like this could be downsized in those instances to compensate for the difficulties some of these communities have in coming up with their required 25 percent of the costs.

I am also wondering, Mr. Chairman, how the department establishes its priorities in a given constituency as far as regrading of secondary roads and paving. Some of the councillors I deal with have expressed concern that they are asked to submit a list of paving and regrading priorities. They are asked to lump them all together now and compare or state which is a higher priority, either regrading this road or paving this one. They'd like to do it, as they have in the past, with two separate lists in terms of regrading and paving. I'm wondering how the department looks at that. I know that the costs involved in regrading are substantially less than base coat paving and the top coat, but I'm wondering how they determine what's going to happen in a given constituency in a given year. Is the department able to make a commitment to pave a certain number of miles or regrade a certain number of miles in each constituency every year?

Something arising out of this, too, is a comment made by the former minister that it would be an objective of the department to see all secondary highways in the province paved within the next 10 years. I think that's a laudable goal and one I applaud the department on. I'm interested, though: is that still a goal of the department of transport? It would go a long way to providing an increase in jobs in rural Alberta and providing the kind of road system that we could indeed be proud of. I'm sure the minister realizes that he has the opportunity to save the government's bacon in the next election by providing good roads for Albertans all over and keeping rural Albertans very happy.

Another question in a specific way. Mr. Chairman, is about Highway 64, which I'm sure the minister is familiar with. It was a stated procedure of the department in the past to grant funding to certain highways, upgrading of highways, based on traffic volumes. I think we can recognize that there are some highways in the province where the volumes may be relatively low due to the population in the area. For example, Highway 64 is in a resource-rich area that contributes a substantial amount of wealth to the province's economy in terms of both agriculture and oil. I wonder if the minister is going to continue with the policy of prioritizing roads where the traffic volumes are highest or if there are other considerations that may enter into those decisions.

If I may turn briefly to utilities. I have a couple of questions for the minister, Mr. Chairman. Concern was expressed to me by one of the agents of delivery through the Gas Alberta system. The county of Two Hills gas system is committed to some sort of pooling price through the Gas Alberta system for delivery of natural gas to their customers. It was probably a good program that was set up when prices were increasing, and it was meant to cushion the users from the effects of higher prices. Now that prices have softened somewhat and in view of the government's stated intention to deregulate gas prices, is there any way the minister could review this agreement and perhaps make it possible for the agents of delivery of this rural natural gas system to lower their prices more, in line with what prevailing rates are?

Another question I have for the minister, Mr. Chairman, is concerning REAs. There has been some discussion about the signing of a master contract and the move toward that and also a great deal of activity between the two power companies buying up REAs. It seems to me it was a program that was very weak in its inception, and we have paid for the problem ever since. We've had to keep coming up with programs to try and cope with the decisions that a government made back in the late 1940s when these systems were originally set up. Their mandate at the time was to deliver power at cost to rural subscribers. I think we can see that with the 17.5 percent return guaranteed these utility companies on delivery of power to rural subscribers, that goal has been lost. I wonder if the minister is able to make any comparison or would he plan to make any comparison between the rates that rural subscribers in Alberta are charged and the rates that comparable users in Saskatchewan are charged. I think we have to leave our philosophical bent behind and just look at the dollar advantages of private versus public power, because it's a system where we all recognize that there is no such thing as competition. We're a captive market, and it's a natural monopoly. With the REAs being purchased outright by the utility companies, it's a situation that's going to become worse rather than better. I'd appreciate some information on that from the minister.

I think I've about run out of questions for now, Mr. Chairman. Thank you.

MR. TAYLOR: Mr. Chairman, I too would like to compliment the minister, my honourable friend from Peace River, for being short and succinct in his introduction to the estimates. It was a pleasure to hear someone from that side talking to the point without any excess verbosity or redundancy. I want to try to cause a schism in the party.

I want to remark on a number of things, Mr. Chairman. I noticed that costs of our urban transportation are down. Philosophically, I wonder. They're down 7.3 percent at this time. That's something we could possibly take some pride in in boom times, but in rough times when most unemployment is concentrated in cities, really I don't think it's wise management to be cutting down the amount of money you're spending on transportation in the cities. It's one of the biggest job creators you can do for dollars spent. You can usually employ more people in doing roads and upgrading transportation in the cities than anywhere else. I would like to assure the hon. minister that he will not get any sassy questions from this side of the floor if he increases the budget to do more transportation work in the cities.

Secondly, while we're on job creation — and this of course applies some to the Minister of Tourism, although why somebody from Macleod would be handling tourism . . . I got him to move around. I thought that while the Minister of Tourism is right at his elbow, he could consider a couple of things. One is that if he would accelerate the present four-year plan for Highway 16 to Jasper, you would not only create jobs but you'd make the hon. gentleman from Macleod's job much easier by increasing tourism a quantum leap. So if you'll pardon the expression, I think you would kill two birds with one stone if you shortened the time span to do the highway and did more construction there. You'd have jobs and tourism.

While we're talking about tourism, I'd also like to suggest an idea to the minister of transport. We often think of tourists as people who flow in here and out and drive in from far off places and out. But I submit to you that

there are half a million people in Calgary and half a million people in Edmonton that get awfully bored on weekends and super bored on long weekends. I'm not taking away from your program of highways and resource roads, but maybe little paved highway loops to hook up the resorts so when somebody takes a drive up one highway to the beautiful constituency of Westlock-Sturgeon, for instance, they can cut across to the other highway and go back in a little loop. They can go out and spend some money and drink some of the products the minister over there is worried about. [interjection] That's the point I'm getting at. Tourism would pay for it. It would accelerate tourism, create jobs. Tie the roads together. One of the things you'll notice if you're looking at Calgary and Edmonton is that the roads quite often go straight out. Whoever goes for a Sunday drive either has to come back the same way or take a gravel pothole road over to another highway and come back. I think it would be a good idea, Mr. Minister, to look at that with the Minister of Tourism. Get his input, and see whether or not some of the rural highway construction can't combine tourism into the small towns and allow people to get out from the smog and the concentration and the overcrowding in Calgary and Edmonton and give them a chance to get out to the countryside.

The next item I want to touch on — naturally, I can't get up without speaking about roads in my own constituency, but this I think transcends just a constituency problem. The road straight south of Westlock, for instance, to Highway 16 is being used rather than the main highway north of Edmonton to Morinville, Legal, and so on for people coming all the way from Alaska or Peace River. They come into Westlock and come straight south to Highway 16. It's a beautiful road, but it has no shoulder. Not only does it have no shoulder but this road from Highway 16 to Westlock and then to the Swan Hills is the official dangerous goods route for all of northern Alberta. All the hazardous wastes that come out of the refinery areas are coming up this road, yet it's a road without a shoulder. One of these days there is going to be a major accident on that road. With the PCBs or whatever it is that's being hauled out of the downstream end of Edmonton, I think we're going to have a lot to pay for. One of the things that should be high on your priority, purely for safety's sake if nothing else, is a shoulder on the road from Westlock to Highway 16.

Rural gas co-ops have always been of interest to me. I throw this out as a suggestion to the minister. Right now you as buyers are able to get gas on one- and two-year contracts for sometimes half what rural gas co-ops are paying. I know, Mr. Minister, that in your and your friends' addiction to free enterprise it will probably be hard for you to try to cook up something, so I thought I would offer my advice free of charge for a bit. The minister of transport could, possibly with the Minister of Energy — this would be something that could be done — loan moneys to the gas co-op, the gas purchasing group that you have now, to buy reserves ahead. Now is about as cheap as you're ever going to get gas reserves in Alberta, so why not, rather than buying on a current basis, rather than having farmers pay more than the U.S. is now paying on short term, rather than asking the farmers to pay more than the industrial consumers are, because the industrial consumer has the power. . . . [interjection] The natives are a little restless over there behind the NDP; they get hidden out of sight too often. [interjection] I'm sorry; I thought you were with the NDP for a minute.

Mr. Chairman, the question is that the industrial consumer has the power to deal directly with the gas producers and



get a very good price indeed, so why not empower and use some loans to the gas purchase people to buy on behalf of rural gas co-ops and the farmers of this province cheap gas reserves that could be used in the next 10 to 15 years? It would do an added benefit. It's a good old free-enterprise method of pumping some money into the oil and gas producers' economy in Calgary. It might bring down that 40,000 to 50,000 unemployed to only 30,000. That will hardly get you re-elected, but it would keep you from being lynched.

If we could go on to the next area, I would like the minister to look at the whole area of a central sewage collection. He has a good program in helping the various small towns to put together sewage systems, and most of them are using settling ponds. I would suggest to the minister that there might be some value in financing the study for various central sewage collection systems that might even be able to run on a free-enterprise basis. Because if you collect and process enough sewage, there may be money or profit in it. Certainly with the number of pipelines we have in this province and our expertise in pipelines we should be able to come up with something, a way of bringing sewage, as in much of West Europe now, into central treatment plants, possibly even on an economic basis that would make money. Of course, there is the added benefit that it will be a tremendous boon to the environment — not that I am trying to do him out of an appointment after all these years of waiting for the post. The fact is that if we could handle some way of centralizing sewage collection and bringing it in, it would do much to clean up our environment.

The last area I want to touch on, because I know there are other people who want to speak. Mr. Minister, I know you come from the banks of the mighty Peace, where water seems to be in infinite quantities, but if you came from where I do, Cypress, where water is in minimum quantities — I don't think enough is being done to see that our freshwater supplies are not used to drive oil out of the ground or, in other words, for secondary water floods. We are not doing enough, in my opinion, to force the oil industry to use fossil water or nonpotable water — water that is of no use for drinking or irrigation — to take the oil out of the ground and for industrial purposes. There are too many spots yet in this province where good, fresh surface water is being pumped down well bores, that may not be able to be used ever again.

I also suggest that you get together with the Minister of Energy, Mr. Minister, because there is so little information on our freshwater supplies. "Adequate water supplies" are your very own words. I forget what page. It says that you're in charge of ensuring adequate water supplies. Adequate water supplies means to me that you have a very good survey of what water supplies there are. I would suggest that you check with the Minister of Energy, and he might get the present department's fascination with oil and gas toned down enough to see whether indeed there are enough technical requirements made on the oil industry when they drill their surface holes to put in casing, to see whether it is mapped and logged to the extent to show all the fresh water. I don't purport to be an expert in this field, but I do know that the attitude has been to keep surface waters from being contaminated. It has also been very much to see that there's adequate casing in the hole to make sure that blowouts can be controlled, but I'm not too sure that there have been adequate regulations set out to make sure that the hole is surveyed and that the freshwater

capacity is measured through electronic means for future use and reserves.

That, Mr. Chairman, is all I have to say now. I think it is good for openers. Thank you very much.

MR. EWASIUK: Mr. Chairman, to the minister of transportation: I can appreciate after hearing all the presentations thus far why his budget is probably among the highest of the provincial departments. Obviously, the people of Alberta are mobile. We still have our rural roots instilled in us, and while we may reside in many numbers in urban centres, we do tend to get out on the highways and travel. I think the points are well taken by the members from rural constituencies who are raising the point and the need for improvements in transportation roadways in their areas. However, I must rise and make some comments for urban transportation needs.

After spending time on the city of Edmonton council. Mr. Chairman, I've learned the kind of frustration that urban centres, particularly large urban centres, have in dealing with Transportation Alberta, relative to the development of roadways within our large municipal centres. I suspect that part of their problem, as with many other departments, is that the municipalities in this province are treated as children of the province. The attitude seems to exist that the municipalities and the large centres are still the children. They are regulated by the province with a sort of "we'll give you so much and you'd better like it" attitude.

I hope that's going to change, because we appreciate the kind of sharing we have with the provincial government in urban road development, but there is a problem. Let me cite a couple of examples we experienced in the last couple of years in the city of Edmonton. It's frustrating. The Beverly bridge was on the verge of being closed. We felt that it was unsafe. We couldn't expose the public to it, yet we could not get the shared funding from the province to do the necessary work for it. It wasn't until the city actually had to close the bridge that the province came forward and gave us sufficient funding to allow us to upgrade that bridge and make it a viable operation for the next 10 years.

Another case in point is the expansion of the Yellowhead, which is a good road but has bottlenecks in it. The bottleneck on 82 Street — it took two years. I believe, for us to finally get confirmation that, yes, the province was going to cut in with its shared revenue, so we could attempt the cloverleaf. The problem here was that the residents who were going to be impacted by the proposed expansion of this interchange were kept in the lurch. We didn't know from day to day whether we were going to move it or not going to move it. whether they should sell their homes, whether they should move. It's these kinds of problems that I think frustrate our transportation department in the city and also the residents that are impacted by the development of these roadways.

The other area was already alluded to briefly, and that is the ring road systems. There is no doubt in my mind that the need for roadways around major centres is of primary importance. We have more and more dangerous goods being driven through major centres, through urban residential centres, through areas where if any accident occurred the potential to the residents in these urban centres is one to think about. I say the need for expansion of ring roads is important, and I hope the minister in his consultations with the urban centres will continue to look at how we can expedite the development of these roadways.

The major thing the municipalities have is unsureness as to when and how much money they're going to get. The municipalities, like your department, need to plan in advance. They need three to five years to plan major roadways and construction. Yet the provincial government does not give indication to municipalities as to when they're going to receive their funding. As a matter of fact, they're not even concerned about how much; they would sure like to know when they're going to get it, so they can do their planning. Mr. Minister, the question I have for you today is: can you implement a procedure that would expedite notification of funding to municipalities so they in fact can do proper planning on the roadway systems?

I would like briefly to move to utilities, if I may. It's one of my favourites, because it ties in closely to the city of Edmonton. The minister obviously knows that the Energy Resources Conservation Board came down with its decision on Genesee in May of 1985. Their recommendations were that Genesee Unit 2 be deferred from 1988 to October 1989 and that Genesee Unit 1 be deferred from October 1989 to October 1991. Executive Council has the prerogative, of course, either to affirm the decision of the board or to alter it in some way. The question I have for the minister, and I think I tried it the other day: now that the ERCB has released its decision entitled Electrical Generation Expansion 1986-1991, Sheerness And Genesee Power Plants — as I said, released in May of 1985, and of course you've had ample time to review the board's decision — can the minister tell us whether or not Executive Council has reached a decision responding to the ERCB recommendations? If not, when can we expect an answer to them?

MR. DOWNEY: Mr. Chairman, I welcome this opportunity to add my lobbying efforts to the minister of transportation. I would like to begin by acknowledging this government and the previous minister for the tremendous strides that were made in building what is probably the best highway system in the country. One rural area in the southern part of the Stettler constituency was promised a first-class road in compensation for the abandonment of their rail line. I speak of the Byemoor-Endiang area, which is now served by secondary roads 855 and 589. The roads are now regraded to highway standards but have a gravel surface, which creates a tremendous dust hazard with present traffic volumes and is expensive for rural authorities to maintain as gravel is scarce in the area and the hauls are long. For these reasons this road is in critical need of hard surfacing.

My question to the minister is: could not a higher priority be assigned as part of our previous commitment to provide a first-class road? Possibly it could be considered under the resource road program, which enjoyed an 8.9 percent budget increase. Secondary roads 855 and 589 carry large volumes of grain, oil and gas condensate. Surely these are the important primary resources in this province. I want to make it clear that I'm talking not just about tourism but of basic service.

I would be remiss if I did not take this opportunity to urge the quick completion of paving on Highway 53 between highways 21 and 36. There are only about 20 miles remaining for base coarse. The only ones who are benefitting from its present condition are the car repair shops.

I have a couple more questions, Mr. Chairman. With regard to construction of secondary roads, item 2.3.1, I note that the budget amount is only increased by 3.1 percent, and this doesn't seem to match the 10-year commitment

that was made for completion and hard-surfacing of secondary roads.

I note that grants to MDs and counties are up 18.1 percent; this is a welcome commitment.

One final question. I note that grants to towns and villages are unchanged. The yearly amounts in a lot of cases are insufficient to tender. Is there a mechanism either in place or anticipated for a smaller town or village to accumulate funds in reserve until the sum is large enough for an attractive tender?

Thank you.

MR. HAWKESWORTH: Mr. Chairman, there are a number of points that I'd like to address briefly this afternoon, a number of issues related to some experience I had on Calgary city council, and some of the issues in the areas of utilities and transportation that we dealt with as a municipal level of government. At the present time one of the largest public works projects in the city of Calgary is winding its way through Calgary Mountain View, that being the northwest light rail transit leg through the communities of Sunnyside and Briar Hill. Both of them are within Calgary Mountain View. It was of concern to me for many years as a councillor on Calgary city council that that alignment was being considered and eventually adopted by the council of the day, on which I sat. On a number of occasions, as my colleague opposite knows, we sought extra funding from the provincial government in order to look at other alignments, somewhat more expensive but of less social and environmental impact than the one that was eventually chosen by city council.

I noted with some interest that my hon. colleague across in the months leading up to the election campaign was also seeking some assistance from his colleagues in the cabinet to get extra funding in order to reduce the impact of that particular public work on inner-city communities through which that project was proposed to be built. I would like to see this provincial government and this department give some thought to this whole business of LRT and its impact on inner-city communities, established residential areas, to what extent public funds from the provincial government should be used without adequate mitigating compensation to the inner-city residential communities in which these alignments are being built. It's a real concern to me because I think the real costs are being borne disproportionately by the communities through which these alignments are being built.

The second thing I want to briefly discuss is the question of the adequate disposal of waste water from our sewage treatment facilities. It's an environmental issue. The big cities of Edmonton and Calgary, because of the high assessment within those two municipalities, have been excluded in the past from participating under these municipal water and sewer grants. It has created a very onerous financial load on the taxpayers and the users of those systems, at least in the city of Calgary.

We went through a boom in the late '70s and early '80s. In order to adequately plan and prepare for what we thought was going to be a major increase in the populations of those two cities — certainly in the city of Calgary — we went ahead with the Bearspaw water treatment plant as well as an expansion to the Bonnybrook sewage treatment plant, both facilities together in the order of \$200 million. All that we received from the provincial government for any kind of assistance to those two projects was something in the order of \$13 million for phosphorus removal at a tertiary

level facility at Bonnybrook treatment plant. In relation to the amount of money that the city is putting into that kind of treatment facility, \$13 million is a very small amount of money. It would be of significant assistance to the city of Calgary if this provincial government were to restructure its grants programs in order to allow the city of Calgary to be able to participate. It would make a big difference to the financing and the debt load of the taxpayers and the users of that particular city. As well, about 50 percent of the population of this province resides in the two cities of Edmonton and Calgary. I think that a particular program of this magnitude and significance to the environment of Alberta requires that in some way those major cities can participate.

One of the proposals I made as a member of city council in Calgary some years ago as an alternative to the technology presently being used for the disposal of sewage wastes was to look at a waste water irrigation system in which treated waste water is not dumped directly into the Bow River but is disposed of by way of a pipeline and irrigation system to the area east of Calgary. It has a number of advantages. One is that in that area of the province there is a very dry climate, and one of the constricting factors to the growth and development of agriculture in that area has been the amount of water that can be or is available for irrigation purposes. It would seem to me that using waste water irrigation is a way of applying that to lands that would be very productive agriculturally if they could receive that kind of water. It would be a boost to the agricultural production of that area of the province. Because it still retains phosphorus and some nitrogen, it would also inherently have with it some fertilizing capability. So it has an advantage. More than simply using water for irrigation, it has an added advantage in helping boost agricultural production.

It would also reduce pollution. We've just had a study tabled by the Minister of the Environment, a limnological study of the Bow River. It noted that the reduction of algae growth in the Bow River had not occurred as quickly as had been anticipated, for a number of reasons. Part of the reason is that there is still a fair residual amount of nutrients going out of the pipelines directly from the sewage treatment plant into the river. We could reduce to absolutely nil any of that if we were to take water from the sewage treatment plant and dispose of it in a waste water irrigation system.

Finally, the last advantage to this kind of project that I would see is that we've noted many times in this Assembly in the last few weeks how the downturn in the economy has had quite a negative effect on the oil and gas industry. There are people being laid off at steel plants. The orders for pipelines have gone down dramatically. Welders, pipe-fitters: demand for their services has fallen off dramatically. This would be a major project. Use a pipeline to take that water from the Bonnybrook sewage treatment plant, pump it out 60, 80, maybe 100 miles east of Calgary, and dispose of it in a major irrigation project. It would be a boost to the economy of this province. It's got a lot of spare capacity and could use that kind of project in a very advantageous way.

This has been discussed. I know that the hon. Member for Bow Valley last year introduced a motion which received debate in this Assembly about a waste water irrigation project. I commended him at the time, writing to him as an alderman from the city of Calgary, for bringing that motion into this Assembly for discussion, and I'd like to do it again today. I would like to see this government take a really serious look at how this project might be applied to the city of Calgary.

I know it's being done in a number of small communities in Alberta. The Department of the Environment has issued some regulations on how waste water irrigation might be applied in the province, so I know there's been some preliminary work done. I'd like to see some kind of pilot project in conjunction with the city of Calgary and the province of Alberta, in which a waste water irrigation system could be tested as to its feasibility and practicality. By all indications, I think it has a great deal of potential. I understand that Cranbrook, British Columbia, is the largest community in Canada at present to be using waste water irrigation as a way of disposing of water from its sewage treatment plants. At least for a city of that size it has proven itself as a worthwhile way of proceeding with sewage disposal.

I'd also like to ask this minister and the government: in terms of the use of these water and sewer grants, is there any development agreement or any contract of any kind that a municipality has to enter into to ensure that once that project is in place the sewage is not going to contribute to the pollution of our waterways and water resources in this province? I would like to know to what degree conditions are placed on these grants, in order to ensure that it does the trick that it is intended to. Are we as a government insisting on adequate standards being met by municipalities in the management of sewage and sewage pollution once they receive grants under this program?

In conjunction with this, I'd also like to discuss very, very briefly the whole issue of regional utilities. I understand that this has been developed to a certain extent here in Edmonton. I'm not aware of how successful it's been. I know that some years ago it was discussed that this ought to be a program extended in southern Alberta. But I'd like to point out that this represents one of the costs, it seems to me, of allowing the growth of satellite communities around the major metropolitan area of Edmonton. You end up having problems such as regional disposal of waste and sewage, and you've had to look at the concept of a regional utility system in the Edmonton area in order to deal with that kind of pattern of development.

Calgary has had a unique and much different pattern of development because of the different style of planning that has been done in the Calgary area. You don't have the same concentration of satellite communities in close proximity to the large major urban community, so the solutions to regional problems of sewage and waste disposal have been able to be accomplished in a much different way. The city of Calgary, for example, has entered into a direct contract to provide water to the city of Airdrie. It's been a mutually agreed contract between two municipalities. It has not required the establishment of any kind of regional authority in order to make that happen. It's a contract freely entered into by two municipalities. I think it's a good model, and I think it underscores some of the efficiencies and cost savings by having a unicity approach to development, which we've had in Calgary and have been able to protect over the years.

So I'd like to have some kind of assessment, some kind of evaluation of how successful the regional utilities approach has been in the Edmonton area and what kinds of plans there are for it in the next few years. I'd also, as some of my colleagues mentioned, like to have an update on the status of contract negotiations between the REAs and TransAlta corporation.

Finally, Mr. Chairman, I'd like to touch very, very briefly on the Electrical Energy Marketing Agency. This

government has contributed substantial dollars for the shielding of the effects of that agency on users in southern Alberta. That's justifiable, and I think it's to be commended. But I wonder whether we aren't taking money out of one pocket, that being the taxpayers, in order to subsidize another group; in this case it's the customers of TransAlta in southern Alberta. Aren't you taking it out of one pocket to put it back into the same pocket? I question the efficiency of doing that, and I also think that this whole idea of subsidizing rates from one area of the province to the other — I'm going to speak in a partisan way on behalf of some of my constituents in southern Alberta and ask: how carefully was this thought out? How justified is it from an economic basis to shift the decision-making and policy-making of setting rates in this province, shifting that into a legislative or a tax basis for subsidizing rates and setting rates for the province?

I think that ultimately over the years we're going to see that the utility rates for customers in southern Alberta are going to be much higher than they would otherwise have been. We're simply taking money out of the pockets of taxpayers to subsidize southern Alberta when really, if we had left the system in place in the first place, there wouldn't have been any need to do that. Those are my comments.

Thank you, Mr. Chairman.

MR. MUSGREAVE: Mr. Chairman, it's not often that a Conservative MLA can get up and talk on a point raised by his Member of the Legislative Assembly who happens to be a member of the New Democratic Party, but I would like to make a few comments with regard to the hon. Member for Calgary Mountain View's remarks.

I used to live in Victoria Park in Calgary, and I remember how the streetcars used to rumble past our home on the way to the carbams, as we called them in those days. While I was away during the war, fortunately Calgary was able to get rid of them. When I was on city council in 1967-68, I saw the end of the overhead wires that we had for our trolley buses. We were getting a more flexible transportation system in our city. The planners were telling us how great it was going to be to have buses and how they could be moved around if there should be any problems involving bridges, bad road conditions, or whatever. And as one that supports public transport by using it, I was pleased to be able to participate in this kind of planning.

I used to argue — and I still do, but I've lost the argument — that we should be concerned about public rights-of-way and not be building massive transportation systems like we have. The city of Montreal didn't get one until they got Expo. Toronto started the development of theirs just after the war. These were cities with a population of a million or more, cities that had a lot of capital development behind them and paid for and lots of people. But no, the city fathers had to have a rapid transit system because the city of Edmonton had one. We suggested to them: why not wait until the city of Edmonton gets their system running and see how it works? But no, the city fathers and mothers in Calgary wouldn't listen to us.

Then they started into the problems of where the right-of-way should be. I remember that the first dispute we had at city hall was on bringing the LRT down 4th Street, down through Roxboro. I was on council, and a great protest was launched, so we moved it over into McLeod Trail. But when it went to my side of the river, which the hon. member now represents, instead of putting the LRT on the same side as the Trans-Canada Highway, which

would make sense — to put it in a transportation corridor — they put it through a park that's about three blocks from my house, at less cost but at a greater cost to the neighbourhood. Now the hon. member is suggesting that we, the province, should be picking up the tab because we're not putting them in the right place. I would suggest that if they wanted this system, why weren't they prepared to pay for it and tell their taxpayers why it was going to cost more. I would have supported their moving it to those areas that protect neighbourhoods.

That's only one example; there are several more. I think it's a shame that they weren't more patient and listened to advice that was given by the transportation department and waited and see what happened in Edmonton. Now we seem to be going down that road again. Just in the last 10 days city council has endorsed an extension of the northwest LRT, assuming that the province will continue to pick up the tab, ignoring the fact that we have a \$2.5 million deficit, ignoring the fact that many forecasts are for cheap oil for years to come.

So I would urge the minister of transportation to tell our friends in Calgary and Edmonton that if they want to do these things, they're going to be paying for them out of the taxpayers' pockets from the city of Calgary and not the taxpayers' pockets from the province of Alberta.

DR. ELLIOTT: I want to take this opportunity to say thank you to the minister and the members of his department, because it seems I am in frequent contact with members of the department of transportation on transportation issues. As one of the members said earlier, when all else seems to be quiet there's always a road issue somewhere or something related to roads. I want to offer my sincere thanks to all the members of the department with whom I've had to work in recent years.

Mr. Chairman, I'd like to make an observation. I'm concerned about the fact that in rural Alberta it seems we can have one industry like the energy industry come into the community and establish projects such as a refinery or a scrubbing station or a scrubbing plant — whatever the terminology is — or a dumping station at the end of a pipeline, and they seem to establish these locations without contact with other departments or groups in the community. Where they get their development permits and this sort of thing I'm not sure.

Anyway, we have three or four such examples in the Grande Prairie constituency, where the energy industry can come into the community, establish a project, and that has associated with it a heavy traffic load of heavy equipment. That's a double "heavy" in there. Mr. Minister, I know, but what I'm saying is that there's a heck of a lot of traffic and they're pretty big trucks. When you have trucks travelling on what were normally agricultural roads, which served an agricultural community very well over many years, and all of a sudden have these very heavy trucks going past, about eight and a half minutes between the full ones going and the empty ones returning, the roads can't take it. We seem to get caught in an inadequacy in the funding or a program to build these roads up to handle that traffic. Therein lies a whole bunch of letters, petitions, phone calls, and all the other good things that make an MLA's life interesting.

I have concerns about how that all fits together. Mr. Minister, and I'll leave it with you as an observation and a question.

MR. MITCHELL: Mr. Chairman, am I going to be cut off? Do I have to adjourn debate again this afternoon?

MR. CHAIRMAN: Probably.

MR. MITCHELL: I would like to make a number of points. First, concerning the presentation of information, we've already raised from our caucus the problem of not having summaries by element at the government level. It makes it very difficult. Specifically to this department, I see a number of areas where detail is required, is demanded in fact, and we don't have it. I look, for example, at the airport construction area. I think it's critical that that kind of construction project be laid out. It's very, very difficult for us to do our job without that kind of detail, and I think it isn't something that we should even have to ask for. I believe that the managers in your department require that kind of information. I would hope that they have detailed information in a summarized fashion that goes beyond these estimates. Certainly we require that kind of information, and I see time and time again where we don't have it.

I look at special projects, for example, under vote 1, 18 percent increase. Special projects can mean all kinds of things — no detail of what those might be. I look at an inconsistency in the presentation of the data. For example, vote 1, summary by element: on the transportation side we see supply and services split out, 17.8 percent increase. On the utilities side we don't see supply and services split out. That's an inconsistency. Yet of that entire vote \$5 million of \$6 million is under the side that isn't split out and even at that isn't given further proper detail. It comes back to the question of you can't manage if you can't measure. We can't even see what the projects are.

I'm concerned about something the Minister of Technology, Research and Telecommunications said, which I think may have applications beyond. I'm sorry to have to raise it in the context of that minister, who was extremely gracious in the way he answered our questions and in fact demonstrated a true respect for our questions. But he did mention one thing in response to the question of the size of his minister's office budget. He said: "That's not really my budget. That was the budget of the previous minister, and I won't be using it all." It makes me question the allocations in many of these estimates. The fact is that the House has to review budgets, and they have to know what those budgets are. Otherwise, they can be changed, and if they can be changed by ministerial fiat or by administrative fiat, it undermines the role of the House in this process.

On the costs side, again I see areas where costs are increasing in areas that do not focus on the objectives of this department but in administrative ways. Vote 1, vote 5, vote 8: significant increases in supplies and services, which I view as not getting at the objectives of what any department is supposed to do. Vote 1: salaries are going up by a significant amount, 7.7 percent, despite the fact that permanent, full-time positions have gone down and despite the fact that man-year authorization has gone up only insignificantly. Vote 9: 65 percent decrease in electrical utility development; I want to congratulate your department for doing that, however you did it. At the same time, there is absolutely no decrease in manpower. I wonder if that underlines a management focus problem.

I'd like to jump to utilities and discuss the implications of the . . .

MR. CRAWFORD: Mr. Chairman, in view of the time, I wonder if the member would defer so that we can move

that the committee rise, report progress, and ask leave to sit again.

[Motion carried]

MR. CHAIRMAN: Before we report, members of the committee, the acoustics don't appear to be the best in all corners of the House. Although no member of this Assembly has any right to be understood, he or she certainly has the right to be heard. So perhaps this evening in committee members could remember that.

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report and the request for leave to sit again, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, as the Assembly will be in Committee of Supply this evening, I move that when the members reassemble at 8 o'clock the House be in Committee of Supply and that the Assembly now adjourn until the Committee of Supply rises and reports.

MR. SPEAKER: The Government House Leader has moved that when members reassemble at 8 o'clock they will be in Committee of Supply. Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

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

#### head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

#### Department of Agriculture

MR. CHAIRMAN: Tonight we'll be dealing in Committee of Supply with Agriculture, as announced by the Government House Leader. That's on page 9 of your big book and page 5 of your little book. That's the elements. The authority for those programs is contained opposite the votes. There are two ministers involved. I assume the Minister of Agriculture will handle this the way he sees fit. Mr. Minister, would you like to make some opening comments?

MR. ELZINGA: As you indicated. Mr. Chairman, prior to responding to any questions or comments that the Chamber would like to pass on to the associate minister and myself, both of us would like to participate in some introductory comments. I'd like to do so at the outset, sir, by just briefly reviewing the estimates themselves.

As hon. members are aware, there are seven votes for our department, totalling some \$437,569,739 as they relate directly to these estimates. Votes 1 and 5 are mainly my responsibility as it relates to the department. Votes 6 and 7 will be responded to directly by the associate minister, as ADC and the hail and crop insurance are her responsibilities, as indicated in the Speech from the Throne. In addition, the Surface Rights Board falls under vote 1, plus our ministerial offices. Vote 5 includes the weather modification.

Mr. Chairman, hon. members might be curious as to why there is a difference within the blue book and the budget update, where the blue book has some \$437 million indicated in our budget and the budget update indicated we were going to be spending some \$595 million on our budgetary allocations toward the agricultural sector. At the outset, if I could point out why that difference exists, it is because some of the agricultural programs fall under my colleague the Provincial Treasurer, \$133 million of which are allocated for the farm fuel allowance and \$25 million for the farm credit stability program.

In doing so, Mr. Chairman, I'd like to just briefly review what was indicated in the Budget Address update, in which we indicated that we were going to launch a massive action plan to support our farmers and our agricultural sector. We indicated within that Budget Address that our budgetary allocation would be some \$595 million, an increase of 86 percent from the comparable figures in the budget of last year.

The highlights of our action plan for agriculture include an enhanced crop and disaster assistance program, which the associate minister has been very involved in in putting the committee together under the chairmanship of Dallas Schmidt, a former Minister of Agriculture, and in making sure that this program and the involvement of the hail and crop insurance is responsive to our agricultural sector.

We have involved ourselves in the red meat stabilization program, which we also feel will be very, very helpful to our red meat industry. We are involved with the feed grain price adjustment, the doubling of the subsidy for farm fuels and, of course, the legislation that was introduced this past Friday by the Provincial Treasurer for the Alberta farm credit stability program.

On that note, Mr. Chairman, if I could just stress this innovative program, which is going to be very helpful to the agricultural sector. They will have a guaranteed source of funding for a period of 20 years at a fixed interest rate, to which we have allocated \$2 billion. If you take into account the \$2 billion that we have allocated under this program plus in excess of \$1 billion which is available to the agricultural sector under ADC, this accounts for in excess of 50 percent of the farming debt in the province of Alberta.

Mr. Chairman, in addition to those programs as it relates to the agricultural sector, even though it's not under our estimates, it's worthwhile to stress that the heritage fund will provide \$30 million in '86-87 for the first part of our very, very innovative private telephone line subscription to the rural areas of the province of Alberta.

For those who wish to have a fairly detailed breakdown as to what this government is doing for the agricultural sector, I would refer them to a publication that we put out indicating our commitment to agriculture. This underscores the government's commitment to this very prime sector of our Alberta way of life, and I stress that in view of the fact that the agricultural sector employs 30 out of every

100 Albertans. That underscores the importance of this sector to our Alberta economy and our Alberta way of life. It's noteworthy, too, to analyze farm cash receipts, whereby in Alberta farm cash receipts have increased from under \$1 billion annually in the early 1970s to nearly \$4 billion in 1985.

Mr. Chairman, in speaking to our estimates, I'd also like to briefly touch upon a number of the very innovative programs we presently have within the Department of Agriculture, and I'm sure a number of the government members would like to elaborate on these programs or put questions as to the specific mechanisms as to how we administer these programs. Let me again underscore the importance that we place with agriculture, and by doing so, I would just like to briefly highlight a number of programs that we are involved in.

Just prior to doing so, let me refer briefly to a question relating to farm income that was put to me in the Chamber the other day by the hon. Member for Wainwright. If one looks at the projections that Agriculture Canada has come forward with, they're projecting a net farm income increase of somewhere in the vicinity of 5 percent. They attribute this mainly to the reduction of input costs within the farming sector, indicating that their input costs are going to decrease by some 8 percent. Our own projections within the provincial Department of Agriculture here in the province of Alberta are even more...

MR. MARTIN: Optimistic.

MR. ELZINGA: Optimistic. Thank you very much. I'm glad to see the Leader of the New Democratic Party agrees with me.

Mr. Chairman, in dealing with that, I want to highlight with the Chamber a number of the programs that have been implemented to reduce the input costs as it relates to our agricultural sector. One only has to look at the farm fertilizer price protection plan, which applies to nitrogen and phosphate fertilizers, and the impact that it has had on our Alberta farmers where some 20,500 applicants have benefitted from this program. This program is listed under vote 2 in our estimates, and there has been an outlay of funds of approximately \$21.8 million covering these various fertilizer purchases. Again, if we look at the substantial savings that our agricultural sector has encountered with our Alberta farm fuel distribution allowance — and I again share with the House that the specific allocation of funding for this program falls under the provincial Treasury — approximately \$133 million has been saved because of this very worthwhile program.

Under vote 4 we also have our emergency water supply program to offset some of the disastrous impact that our drought has caused. This falls into a three-part program consisting of dugout construction, dugout rehabilitation, and emergency dugout pumping. Mr. Chairman, the total assistance provided in 1985-86 for this program amounted to some \$2 million. Again, if we examine vote 2, we have implemented a program to neutralize the disadvantage imposed upon Alberta livestock producers where the Crow rate benefit had been paid to the railways rather than to the producers, and we've instituted the feed grain market adjustment program. We have indicated, Mr. Chairman, that while this program is in existence we are going to conduct a comprehensive evaluation, but our government position remains unchanged as it relates to the Crow issue. We were delighted

to see the grain agency's report, and we are going to work actively towards the implementation of that report.

Under vote 2 we again find our contribution, as with the contribution of the federal government and the producers, to the national red meat stabilization program. Prior to the introduction of the red meat stabilization program, it is noteworthy to point out that approximately \$42.6 million was paid out under the interim red meat insurance program. That was paid to producers of slaughtered cattle and hogs. As I indicated, Mr. Chairman, we're delighted that we have the opportunity to participate in a national tripartite program, because we in this province have felt that Canada is balkanized enough. We'd like to work toward national programs where all provinces are treated equally so that we can take advantage of the natural advantages our producers have here in the province of Alberta.

Mr. Chairman, under vote 3 one will find the funding as it relates to the provincial and federal governments' subsidiary agreement relating to value-added processing. These costs are equally shared between the two levels of government. In vote 3 we also have some extremely worthwhile programs as they relate to the development and sale of our agricultural products. I refer specifically to SIMS, the strategy for increased market share, which promotes domestic sales of Alberta products and beverage products. We also have the rural agricultural products promotion, RAPP, which is included in vote 3. This is a co-operative effort between the Alberta Food Processors Association and our district home economists within the department, which again promotes increased awareness and sales of Alberta processed food products among rural retailers and consumers.

Mr. Chairman, it's worthwhile to point out, too, since questions have been asked, that we do have some very worthwhile counselling services within the department and ADC. We have farm financial assistance programs available for individual counselling to those individuals within the farming sector who are experiencing financial difficulties, as we have the excellent enterprise counselling under the Alberta Agricultural Development Corporation.

Mr. Chairman, as I indicated earlier, we are also delivering on our commitment relating to the farm credit stability program. In our budgetary estimates you will find under vote 4 in the budget update a commitment of \$776,800 toward the implementation of that program.

There are two other programs I'd briefly like to touch upon, one being the grasshopper control assistance program, which we again implemented this year to help offset the disastrous impact of the grasshoppers. Last year, Mr. Chairman, a total of \$3.2 million was paid out to some 3,800 applicants, and after the representations made by Members of the Legislative Assembly, we implemented that program again to the amount of some \$3 million. It's noteworthy to point out, too, that in addition to the commitment of this government to cover up to 50 percent of the costs of the insecticides farmers will be using, we have included an environmental component that provides for assessment of human exposure and any effects of the chemicals on birds and other wildlife.

Mr. Chairman, we also offered assistance to our beekeepers, some 250 applicants totalling some \$2.4 million. I don't mention these programs so that we as a government can pat ourselves on the back. I do think it's important, and I say this in all sincerity to hon. members not only within our own party but in the opposition parties, to underscore our deep commitment to this very important sector, because it does contribute in such a substantial way

to our Alberta way of life. Our responses have shown this government's deep commitment to our men and women of the soil. We are going to continue with that commitment.

Mr. Chairman, one can't emphasize enough the recognition that we pay to our agricultural sector, because we do recognize the very important role it plays. More than just paying lip service, we have put our money where our mouth is. One only has to look again at the budgetary expenditures, whereby in the cost as compared to last year, our estimates are up some 86 percent. In addition to that, because of the deep commitment our Premier has to the agricultural sector, he has appointed a better half — as the hon. Member for Westlock-Sturgeon refers to our associate minister — who is so capably involved with myself in making sure the agricultural sector does receive the attention and concern it so justifiably merits.

In addition to that, it's important that we underscore again that the Premier has given a commitment and is presently serving as the chairman of our cabinet committee on agriculture and the rural economy. In addition to that, I'd like to pay tribute to our chairman of the agricultural caucus committee, the hon. Member for Taber-Warner, who is serving as an excellent chairman. We are working very closely not only with all members of this Legislature but with our own government members to ensure that we as a government are responsive to our agricultural sector. We are constantly reviewing our agricultural programs so that we can be responsive to this prime sector.

On a personal note, I can indicate on behalf of the associate minister and myself that we have initiated meetings with the various farm groups throughout the province of Alberta, and we've met with a good number of them. It is my hope to establish a consultative group, whereby farm leaders themselves can have an opportunity to initiate policy input to the government in a more formalized fashion and where we in turn can bounce off our thoughts and ideas to them. I hope this fall to travel the province extensively once the Legislature has adjourned so that I can receive in a direct fashion the concerns from our agricultural community and individual farmers.

Mr. Chairman, I would be neglectful also if I didn't indicate the high regard I have for the officials within the Alberta Department of Agriculture. Since being sworn into this portfolio, one cannot help but be impressed by their dedication and the sincerity they have shown for the ongoing concerns of our rural population in Alberta. If I can use a quotation from the present Minister of Tourism and the former Minister of Agriculture and underscore what he said to me when I first assumed this responsibility. "They're the best people in government." Sir, I totally concur.

Mr. Chairman, we are involved in doing everything we can within in our power to reduce the input cost for our agricultural sector. I underscore that in view of the fact that the projections show our programs have reduced input costs to the agricultural sector by some 8 percent. I look forward to participation of all members in this debate. I'm sure the hon. Member for Westlock-Sturgeon will participate in a full and meaningful way. We look forward to his constructive — I hope they're constructive — comments during the course of the discussion of our estimates. I'm sure our individual government MLAs are going to touch upon some of the specific programs that I've highlighted.

Let me just close on a personal note, indicating that farming is very dear to my heart. I was brought up next to a small independent feed mill that my father had on the south side of the city, and I recall as a youngster going

in and playing amongst the sacks of chop. Mind you, I'd be admonished when I got back home because I'd be so dusty. But it's more than a livelihood, Mr. Chairman. It's a way of life, and this government is committed to ensuring that way of life for our agricultural sector. I involved myself in farming throughout my years at school, on a part-time basis working on my father's and my brother's farms. Upon graduation my brother and I went into a hog and cattle partnership, and I thoroughly enjoyed that opportunity.

MR. TAYLOR: He got out just in time.

MR. ELZINGA: I'll share a true story with the hon. member, unlike some of the stories he tells. When I was first elected as a federal Member of Parliament in 1974, I was delighted that I would have the opportunity for a constant paycheque, because as he will recall — knowing his expertise in the agricultural sector — that was a disastrous year for cattle producers, and we suffered a substantial loss. It taught me a deep and dear lesson. Individuals like himself and myself have an obligation to remove those peaks and valleys from our agricultural sector. We're sure that with programs such as the red meat stabilization program, we have made a great advancement towards that.

MR. TAYLOR: You've still got the same provincial government as '74. You haven't changed.

MR. ELZINGA: But the big difference is it's a different federal government, and it was the federal government that was the cause of the majority of our problems. I must say I get a real kick out of the members in the Liberal and the New Democratic parties when they ask our Minister of Energy on a consistent basis what he is going to do to correct the mess those two parties at the national level established. [interjections] I should share with the hon. Member for Westlock-Sturgeon that we don't go hunting for mice when we're after elephants.

I want to close, Mr. Chairman, by indicating that I look forward to working very closely with our associate ministry. We've worked very closely to date in furthering the concerns of our agricultural sector, and I look forward to the participation of all members of this Legislative Assembly. No matter what party they're from, we look forward to their suggestions when they are constructive, and I would like to underscore what I indicated earlier. We look forward to working with our own individual agricultural caucus within the government party. I look forward to whatever questions or comments members might have.

With your consent, Mr. Chairman, I'm going to respond on an ad hoc basis so that I don't cut into the time of the Members of the Legislative Assembly. In the event there is a real distortion of the truth, I would hope hon. members wouldn't mind my bringing them to order so that we can correct the record and see that there are not too many falsehoods conveyed.

So with your permission, sir, I shall sit down, and I'm sure our associate minister would like to share a few comments with the Chamber. I thank you for your indulgence.

MRS. CRIPPS: Thank you, Mr. Minister. Mr. Chairman, it's a new experience for me to be on the receiving end instead of the asking end. I've had all this fun for seven years, and now I guess I have to pay the piper. First, I'd like to thank the people of the department for the excellent

help and assistance I've had since being named associate minister, and a special tribute to the Minister of Agriculture for all of the co-operation and assistance we've had over the last month and seven days.

I just want to speak very briefly about vote 5, which is the weather modification program. We answered questions on that in the House today, so everyone knows the \$3 million that was in last year's estimates is not in this year's estimates because we've reduced the experimental part of the program and are doing the analysis of the research data. The \$500,000 has been set aside to do that report, and I'm confident that when it's done, we'll take a look at the report and hopefully make a determination on the continuation of the program.

Vote 6 is for the operations of the ADC program, not the lending. Maybe I'll just do a brief review of ADC. It was established in 1972, and its major role was in long-, intermediate-, and short-term financing. At present, the portfolio is \$1.3 billion and that includes [26,000] accounts. The 1986-87 budget of ADC includes \$149.5 million in capital funds. For Members of the Legislative Assembly, that's not part of this budget. That's budget money that is borrowed by ADC for the purposes of loans, and as in other years, I would imagine you'll probably be looking at that estimate in the Heritage Savings Trust Fund portfolio.

The \$114 million in operating funds is made up of \$11 million to operate the corporation, \$42 million to subsidize interest costs, \$20 million to pay incentives, and \$28 million for debt write-off. The deficit from '86 is \$26 million. Only 10 percent of this \$114 million is used for anything other than direct payments to farmers. Of course, everyone knows the beginning farmer program was changed in early April to lower the interest rate from 12 percent to 9 percent, and the preferred farm lending rate decrease saves farmers \$328 million over the next 20 years. That's the savings to agriculture. Agribusiness loans were lowered from 15 percent to 12 percent on the first \$500,000. On the approval of this budget, the rest of the existing agribusiness loans will be written down to 12 percent.

ADC's been a major responsible lender of the last number of years. As everyone knows, we're going to do a total review of the role and mandate of ADC, the financial needs, and the methods of financing in the province. I look forward to that review, to the recommendations, and to improving the long-term financial delivery system in this province.

Vote 7 is crop insurance. It's probably the program I'm most familiar with. It's an all-risk crop insurance. The hail rider and the crop insurance itself are supplemented by both the provincial and the federal governments. Actually, the federal government supplements the premiums, and the provincial government supplements the extras we have in the hail insurance program. If I can just give you a few highlights: in 1985 there was a record level of 23,433 policyholders insuring 10,781,000 acres, for a total insurance of \$870,492,000. The premiums paid for that insurance were \$117,944,000. This year there are in excess of 25,000 policyholders.

If you notice, there's a discrepancy — not necessarily a discrepancy but certainly an increase — in crop insurance over the last few years, and that's because of the [payouts]. In 1983 the payout in crop insurance was \$73 million, in 1984 it was about \$201 million, and in 1985 it was \$275 million. Drought and other adverse conditions made it necessary to increase the payout and for the provincial government to become more involved. In fact, there were



some changes to the crop insurance program to make it meet the needs of Alberta Agriculture during 1985.

The first, of course, was the revision to the crop insurance guidelines in 1985. That allowed producers to harvest low-yielding crops for feed and was a \$13.5 million infusion into the crop insurance program. In August the Alberta crop insurance coverage restoration program was announced, and that restored the rates to January 1, 1984, levels at \$24 million. Both of those were special warrants in 1985, but the \$35 million increase you see in this year's budget is a budgetary item, and that accounts for the difference.

Other changes in 1986-87 are the introduction of the livestock feed security program, which replaced the former hay program. It allows for a farmer to insure his hay up to \$110 an acre or \$250 per animal unit. I would think that program will probably not pay in our area because it's based on the amount of rain. I think that whether that program will be costly just depends on where you are in the province and whether you've got the showers. Secondly, we've included the fresh vegetable co-ops: sweet corn, cabbages, carrots, onions, and rutabagas. Last year we introduced coverage for sugar beets. Another change is that the hail endorsement is being extended from October 15 to October 31.

Most members will know that there's a crop insurance review headed by Dallas Schmidt. The preliminary public surveys have been done. By the way, they show that while it may have some deficiencies, the hail and crop insurance program is pretty well thought of throughout the province. We have a basically sound program, and we'll hopefully be able to make it better with the review.

If members are really interested in the excellent job the government has done over the last year to try to meet the needs of agriculture, it might pay to take a look at the book *Our Commitment to Agriculture*. The funding commitment in 1985 was over \$740 million in new and supplementary programs for agriculture. The one-year supplementary funding was \$160 million, forecast into this year for that particular program.

I believe the government is making an effort to meet the needs of agriculture in the north, south, east, and west. Certainly, as the minister and I have found over the last month, each group of people involved in agriculture has a different opinion on how the problems should be met and what the government should do to assist in solving them. I look forward to working with the minister for the benefit of agriculture. I look forward to the comments and questions from the members and thank the department for all the assistance I've had in the past month.

MR. CHAIRMAN: To the minister and the associate minister, it may be that not all members are familiar with agriculture to the extent that we think they are. When using acronyms like ADC, it might be helpful to perhaps spell out one time what it means in vote 6.

MR. HYLAND: First. Mr. Chairman, some questions both ministers touched on. I believe he said the amount that was paid out under the grasshopper program. I wonder what that works out to per farmer. I also understand the chemical had to be paid for between January 1, 1985, and November '85. With a year like last year and the farmers having trouble with cash flow early in the fall, were any allowances made if a guy wasn't able to put the money together to pay the bills for the chemical so that he could have some leeway so that he would be able to put the

applications forward and receive some money for it, and then he could at least pay half of the chemical bills?

I believe the hon. associate minister touched on hail insurance. She gave some amounts of money on the difference between what the province pays now for hail insurance and what is paid for by the federal government. I wonder if when she responds the minister could give what percentage of the hail insurance policies is now paid by the province as well as the administration, what percentage is paid by the federal government, and the percentages paid by the farmer.

The minister also covered various new programs added to the crop insurance portfolios. I remember a lot of discussion last fall about bee producers. Their existing program had very little sign-up, because in their minds the program wasn't effective, and they were working on a new program with the crop insurance people. I wonder if there was an agreement on that program, and if there's a reasonably good program in place now.

The hon. Member for Westlock-Sturgeon was making some comments about fertilizer prices. At least I could hear him making comments down here. I wonder if this is still happening. I know it was happening a lot in my area. Fertilizer was being trucked from Medicine Hat across the border. The semis would go across the border at 14, turn around, clear American customs, and come back and deliver the fertilizer — it could be to Boyle and Burdett or anywhere up the line — at a cheaper cost than the local farmer was able to buy it at from the plants.

I wonder if that's still going on, and if there has been any action taken to see that if companies are disposing of extra product, why can't they dispose of extra product of a lower price here as well as a lower price across the border?

MR. TAYLOR: We've got an extra desk over here.

MR. HYLAND: Hon. member, if you go back and look in *Hansard*, you'll find out that I asked this same question about three to four years ago. In fact, the hon. associate minister and I were the ones asking these questions in question period a number of years ago.

I have had a lot of good comment about the payment of the Crow rate benefit to those that are using feed in Alberta, but there has also been concern about the work it takes to go and get the certificates. I wonder if there's anything that can be done to speed that up and cut down on the paperwork.

The use of out-of-province feed also causes concern to some people. I know that in some areas where the feed came in and was used, it was fed here. There's no question about that and it produces an industry here, but it had to do with the trucking being cheaper on a backhaul when some of the outfits were going for fertilizer. That caused some concern to local truckers as well as to local producers, especially in a year like last year when we had a great deal of soft white wheat of feed value and farmers were having trouble getting rid of that wheat.

Mr. Minister, for a number of years the horticultural station at Brooks has had test plots in Bow Island. I wonder if they are now — hopefully, one of these years and sooner than later — in a position to consider purchasing land for a permanent site for horticultural test plots and also have a small facility there in the future. Through their tests they found that the time in producing products can vary anywhere

from seven to 10 days, Bow Island being seven to 10 days earlier than Brooks.

The final comment is related to the Better Buy Alberta logos we see and the group of manufacturers that has gotten together to promote Better Buy Alberta products. I think of a phrase that was used, I think during Agriculture Week, by the former Minister of Agriculture. He said, "If you eat, you're involved in agriculture." I wonder how the funding on Better Buy Alberta products is coming, if we are still participating in the funding, and at what rate we're participating in the funding of that product. I can think of a couple of products it affects that are grown in Cypress. One is cucumbers that are grown in the greenhouse industry in Cypress-Redcliff, especially in Redcliff and in the Medicine Hat area, where these cucumbers are grown in the greenhouses and then marketed through the Red-Hat Co-op. The last of their products I've seen had the Better Buy Alberta stickers on them. I wonder how these kinds of products are moving, and how we are funding that organization and also the promotion of Better Buy Alberta products at the sunflower plant in Bow Island.

MR. FOX: If I could, Mr. Chairman, I'd like to ask a few questions of the minister. Some are questions that could perhaps be answered in short form. Some may beg some further discussion in the future. I'd also like, if I may, to make some comments on programs administered by the department and announced by the minister. Hopefully, they'll find some of the suggestions helpful.

I think it's noteworthy that additional moneys have been allocated for the Department of Agriculture this year, a fairly dramatic increase in spending. In view of the minister's own figures that some 30 out of every 100 people employed in Alberta owe their jobs directly to agriculture, I think we need to keep the percentage of total budget expenditures in perspective. The new spending announced still means the total spending on agriculture as a percentage of the government's overall budget is 4.1 percent. It's not a princely sum, and I think there's always room for additional programs that could be targeted to this very important and still ailing sector.

If I may, I'd like to talk a little bit about the farm credit stability program. It's something we've discussed several times already, Mr. Chairman, and I think it's something we'll keep on discussing, perhaps in more detail when we see what the actual plans and methods of implementation of the program are. I've expressed some of the concerns before and in a very sincere way. One is about the way the program was announced. It's \$2 billion of aid flowing to the agricultural industry, \$2 billion for farmers. I think it creates a cynicism on the part of the taxpayer in Alberta. They think farmers are continually receiving generous handouts from the public purse when that's not the case. The minister has indicated to us that the actual cost in this budget year for the program is substantially less than that. It's the cost of administration and the difference between the rate of return on the moneys invested and what we either borrow the money for or what we'd receive for money if it was invested in other things. So the actual cost of the program to the taxpayers is not that great, and I think the way it was announced was a problem.

One suggestion I might have — and I think it's a concern that the minister also has — is that it's taken a long time for the program to reach the actual stage of delivery to be implemented. It was announced sometime early in April, just prior to the election, and the minister alluded to the

alluring aspects of it, apparently feeling the \$200,000 limit they announced was something that farmers voted in favour of and returned the government to power. It's been almost three months, and we're looking, I believe, at some time in August now for the program to actually be put in place and perhaps some time after that before money is flowing in to producers.

That's causing additional hardship for producers, because of the fact that the need for an immediate cash injection into the farm economy was not addressed this spring. It's a need that was expressed by a number of farm groups, including Alberta's umbrella farm organization, Unifarm. They were calling for an immediate cash injection. In fact, there were several farm groups that were looking for some sort of per acre payment or retroactive provisions that would address this need for money now to put the crop in the ground. That program wasn't forthcoming. My colleagues in the government prior to our election suggested a program whereby the government could institute 6 percent loans on operating capital for farmers this spring to address that need until such time as longer term arrangements were put in place. That wasn't done either. It was done in Saskatchewan, I gather, with some success.

So my suggestion to the minister would be that he encourage his colleagues to sit down and take a very serious look at making the provisions of this farm credit stability program retroactive to the date it was announced. I think that would repair some of the damage — perhaps "damage" is too strong a word, but it is the only word I can think of — done in the community by announcing the program and then taking so long to actually implement it. In the meantime, producers have had to use alternate sources of credit. In many cases that ends up being the companies they deal directly with where they have rates of interest that far exceed the rates banks charge.

I still think we need to address, and I hope there's time to look at, the rate of interest charged. I think the minister is hoping for a program that will have a dramatic impact on the farm debt crisis, and I just believe in the most sincere way that 9 percent does not address that problem. I think that if we could lower it to 6 percent, it wouldn't mean that much of an additional cost to the provincial Treasury as a whole but it would have very beneficial impacts on each individual's farming operation.

Mr. Chairman, we've talked before about the \$200,000 limit, and I think the minister has probably heard enough concern about that. In terms of the stacking or whatever provisions we've referred to earlier in this program. I'm just wondering. We've heard the minister say that there's \$2 billion of credit flowing from this program, and in addition to the \$1 billion from the Agricultural Development Corporation, that's just about half or a little more than half of the total debt load of Alberta farmers. I'm wondering what the total debt of Alberta farmers to the FCC is. How does that apply with the stacking provisions?

I might ask some specific questions as I go through the estimates here. I think some of them jump out and need to be asked. In vote I, right at the beginning, there's a fairly substantial increase in the expenditures by the minister's office. I think members on both sides would be interested in some further explanation of what accounts for that some 14 percent increase in expenditures. With all due respect for the new Associate Minister of Agriculture. I think we in the House and the farmers in Alberta need to know how come an additional \$192,000 was deemed beneficial. Other than administering programs the department

used to administer, can we get more punch for our investment here?

MR. MARTIN: Unemployment. Unemployed Tories.

MR. FOX: No, there are only two more jobs created per year with that total budget. I think we need to know why that was deemed necessary, beyond the fact that the government has some commitment to recognizing that women are involved in agriculture as well. I might note that the former Minister of Agriculture was able to implement a full range of programs and quite admirably. We need to know why there are now two ministers and additional budget expenditures for that.

Another thing I'm interested in, Mr. Chairman. I hope the minister will be able to provide some information. In vote 1.2.8, referring to the Alberta Grain Commission, I'm just wondering what the mandate of the Grain Commission is now. What is its role? There's not a substantial increase in funding. I'm just curious to know what their activities involve and in what way they contribute to the agricultural industry.

If I may, I'd like to talk a little bit about vote 2, the feed grain market adjustment program, the government's program to help offset the Crow benefit, the pay-the-railways option of Crow benefit to feed grain users in Alberta. I think we have to recognize this is a very broad and serious topic if we consider the implications of it. I think the Crow is dead but the legacy lingers. The debate and future developments that surround this whole issue of grain transportation on the prairies hangs around our industry like an albatross. I really think we need to take a long and very serious look at where we're heading.

Mr. Chairman, on behalf of our hon. leader I attended hearings in Calgary a year ago held by the Canadian Transport Commission into an application by Cargill Grain and Canadian National Railways to institute what they called incentive rates for grain shipments out of certain points. I went there. It was a kind of intimidating experience for me, Mr. Chairman, because I was all alone. When I got there, I saw that all of the other delegations making submissions had two or three people there and reams of material. I actually hadn't had a chance to read our brief until I got there.

The first speaker up was a vice-president of Cargill Grain. He made his address and talked about the reason they wanted these so-called incentive rates, which I think we have to realize are just variable rates with a more alluring title. One of the reasons they were applying for these incentives rates, as he stated, was so they could lower their costs and thereby pass the savings on to the producer. After this fellow had finished his comments, the chairman — who I might add is not nearly as benevolent as the Chairman we deal with here or the Speaker who normally guides our deliberations — peered over his glasses down at me and said, "Do you have any questions, Mr. Fox?" Quite startled and not sure what to do, I couldn't resist an opportunity. I said, "Yes, I'd like to ask the gentleman just on what basis he says these benefits will be passed on to farmers." I mean, they always use that as justification for programs they want or things they want to have happen, saying it will benefit producers. From my experience there haven't been too many examples of that. I was ruled out of order because it begged debate or something like that and kept my mouth shut thereafter. But after every submission was made, the chairman would look at me and

say, "Have you any questions, Mr. Fox?" I was really getting worried about it. I thought he was picking on me, and I wasn't sure why. I leaned back and asked the lawyers representing the Alberta Wheat Pool, "Why is he asking me all the time?" The Wheat Pool, who were there only as observers of that hearing said, "Because you're the only intervenor." And I was shocked to realize that this application for incentive or variable rates by Cargill Grain and the Canadian National Railway Company was opposed by only one group, and that was the Alberta New Democrats. The provincial government's representation was there and very strongly on the side of the railways on this issue, as were a number of other private grain companies and interest groups.

The concern that we have with this is that once we rid ourselves of the Crow, once that very worthwhile program was done in, I think we faced the spectre of variable rates throughout the grain producing provinces. I think we have to realize just what that means for rural Alberta, Mr. Chairman. I hope the minister will take a long hard look at that. I know the branch lines in western Canada have been guaranteed through to the year 2000 by some federal agreement, but if the railways are allowed to set up a variable rate system, the inducement for producers to deliver to the elevators where the lower rates are charged will be difficult to resist.

I submit to you, Mr. Chairman, that after the rates have been in effect for a while, there will be several branch lines in the province that will have elevators that are hardly ever used at all. The system will continue to rationalize. We will end up with many communities that are now served by elevators and branch lines no longer served by those. The impact on the rural economy will be devastating. I think we have to really look at this and not allow ourselves to work more and more to a rail system that is set up to serve the profit motives of the railway company. After all, Mr. Chairman, if you were an executive of a major railway company, what you would want is to have a couple of tracks going across the country, one end to the other, responsible only to pick up goods at very few points, and just go back and forth and be paid whatever you claimed your costs were and rely on the individual producers and road network to bring grain in from various points to this central system.

The hon. colleague from Vermilion-Viking is nodding. I guess Viking is one of the points at which they may build this inland terminal system, if they ever get towards it. But there are areas, and many represented by Conservative members, that would suffer very, very much by a variable freight rate system. Any place in the northeast would be a good example of that.

The whole debate on the method of payment, whether we pay the railways or the producers, is just part of the confusion that has resulted from the demise of the Crow. The new study the minister alluded to which they apparently support, the recent recommendations on a method of dealing with the Crow benefit. I think just further emphasizes how involved and confusing this whole thing has become.

Speaking of trains. I've lost my train of thought. Perhaps I can return to it later, and I'll go on to a few other things. I have some questions about the farm fertilizer price protection plan, Mr. Chairman. I think it's a good effort to try and reduce input costs wherever possible. But I think this program has some of the weaknesses that subsidies in general have, and that is that the money often flows to the wrong people. I'm just wondering if the minister has any

information on this. Can he tell us, or find out, just what happened to the price of fertilizer as a result of the implementation of this program? Many producers feel that the price went up soon after the program was implemented, and I think that means that the taxpayer contributes money, some companies receive it, and farmers appear like they're receiving handouts again.

AN HON. MEMBER: Just the Alberta Wheat Pool.

MR. FOX: No, I think they went up through many companies. Anyway, I think it's something that begs a little more explanation.

I would be interested too, Mr. Chairman, if the minister would explain to us the drop in financial assistance to sugar beet producers. There was some \$6 million allocated last year. Perhaps southern members would know more about that than I, but I'm wondering how much of the \$6 million was used and what happened to the need to assist them. I'm not sure that any sugar beets were grown last year. Anyway, that is \$6 million there, and it would be interesting to know more about it.

In vote 3, Mr. Chairman, I'd like to ask the minister a couple of questions. On the surface I'm encouraged by the almost 30 percent increase in moneys allocated to nutritive agreements. I'm wondering if the minister can explain to us how that's projected. Are there some new programs that will be funded under that Nutritive Processing Agreement, which I think generally has been a good program, or just a greater commitment overall to funding under that program?

Another item under vote 3 that I'm quite interested in is the Alberta farm products marketing council, which is receiving a 77.5 percent increase in its budget. I'd like to know, and I think members of the Assembly would like to know, just what accounts for that dramatic increase in funding. What are they going to be doing with that money? What are some of the programs that require that increase in expenditure?

One concern I have about the marketing council — and I suppose it's fair game to mention it here. You might recall that last year when the so-called hog wars were starting to heat up, a statement came from the chairman of the Alberta farm products marketing council that he wanted to make some changes in the legislation that governed the Pork Producers' Marketing Board to give, in his words, the freedom to hog producers to market hogs either through the board or directly to Gainers. I thought it a rather curious statement, Mr. Chairman. I think it's something that the minister might want to look into further: that someone charged with the administration of a marketing council seemed to have an opinion that was so contrary to the philosophy of marketing boards.

I believe that if we got rid of the Hog Producers' Marketing Board and gave, as this chairman described, producers the freedom to market, we would give the packers the freedom to pay the producers whatever they feel they want to pay them, which was the case in the past. We think there's a need for competition in the industry — there's got to be competition in the meat industry — but it should be packers coming to the board to compete with each other to buy the hogs or whatever rather than have producers going to the packers and competing with one another to sell. I think there's an important difference in outlook there, Mr. Chairman, and I would hope that the

minister would have some comments on that as regards the marketing council.

I'm very encouraged by the success of the Better Buy Alberta program. I think in general that many of the programs the department has instituted to help market Alberta farm produce have been positive. I'm encouraged by that. I think we do need some further information, though, on vote 3.3.2: a whopping increase of some 100 percent of money spent on market development in the Americas. If possible, we would appreciate some further breakdown of that and also of vote 3.3.3: a 13.4 percent increase in commitment to development of overseas markets.

I'm interested too, Mr. Chairman, if the minister would be able to tell us — in vote 4.3.7 a fairly dramatic increase in agricultural engineering services. I'm just curious to know what sorts of programs that encompasses and what things flow through to the agricultural community as a result of that increase in expenditures.

The next part of vote 4 is interesting because of the dramatic changes up and down in terms of funding for farm financial management services. In computing support we see a decline of some 90 percent in funding, a 30 percent decline in general support services, but an almost 200 percent increase in farm accounting assistance. They are fairly dramatic swings in budget allocation, and I'd just appreciate some further explanation of what accounts for those swings in terms of both the increase in vote 4.4.3 and the decrease in the other sections there.

Turning to vote 5, Mr. Chairman, I'd like to ask — the associate minister has answered some of the questions I had about the weather modification program, about the \$600,000 left in the budget being used to assess the program, as difficult as I think that is in one year. But just above that there is a section of general research, which shows a 14 percent decline. I think the minister feels as I do, that at this time an increased commitment to research in the agricultural industry is crucial, because we face many, many challenges ahead in terms of both problems of production and problems in marketing. I think we require further explanation of the some 14 percent drop in commitment to research there.

Mr. Chairman, directing a question to the associate minister as regards the proposed review of the hail and crop insurance program, I'm really pleased by that. It's something that we campaigned on in the by-election in Spirit River-Fairview a year and a half ago. I'm not exactly sure of this, but I do believe the present member from that area has been appointed to the crop insurance review board, as have a couple of present and former members of the Conservative Party. I'm wondering: are there going to be any others on this review board? Will there be any opposition members appointed to this very important review board, or will there be members of farm interest groups or members from the farming community at large? I am generally in support of the thrust of the hail and crop insurance program over the years. I think it's a good program. It has in these tough times proven to be in some ways inadequate, and I hope this review will address that.

I have the same sort of questions, Mr. Chairman, regarding vote 6, the ADC. There is a proposed review of the role and mandate of the ADC. Could I get more information from the Associate Minister of Agriculture about more details of that review? Who might be taking part in the review? Will it be a committee that travels and receives public input, and will there be actual membership from the opposition on the committee to review this?

In the context of debt review, a Bill was introduced and passed quite quickly in Ottawa a week ago. There was some reference to Bill C-117 here in the Assembly. I'm wondering if the minister would be able to elaborate in some detail just what his feelings are on the whole idea of debt review legislation. I know the federal minister had promised to introduce some sort of debt review process with teeth, and the general perception in the farming community is that what we've ended up with is debt review legislation with gums and no teeth. I'm sure that farmers in the province would be interested to know just what this government's stand is on those issues. Will he support the federal Bill? Perhaps he may even join me in debate on Bill 220, coming up probably at the end of this month, a private member's Bill that I've put forward, An Act to Amend the Debtors' Assistance Act.

In spite of our efforts to try and lower the rates that producers pay on loans, I think there is still a need to address — and I don't believe the ADC addresses it — the very real need for some debt adjustment legislation. The associate minister referred to the ADC as being a lender of last resort, and that was one of the original mandates of the program. It seems to me that what it should become is a forecloser of last resort if at all possible. There have been many, many cases — and I know both ministers are aware of them — where there have been some pretty sad situations of foreclosure and quitclaims that the corporation has gone through. I think it's partly because of their mandate. They've followed the prescribed rules and have not been able to be as flexible as we'd like them to be. I hope that's something that the review committee will look into.

In terms of research, Mr. Chairman, I might suggest to the ministers that a worthwhile program of review would take a look at what costs are involved in a farm family losing their farm. What are the total costs there in terms of people losing that form of livelihood — their relocation, retraining, and perhaps the impact on the community that they move to in terms of trying to move to a community and find employment when there's none to be found? It seems to me that it's a fairly prevalent thing. We need to look at just what total costs are involved in people being forced off the land and then compare these to programs that could be implemented to keep people farming. I think we all recognize on both sides of the House that our desire is to stabilize the family farm as a productive and basic unit in our agricultural industry and do whatever we can to make them viable in the face of pretty difficult times.

I got my train back on thought here about the pay-the-producers or pay-the-railways thing. There was a question some days ago, Mr. Chairman, and the minister referred to a study that the provincial government had that indicated producer support for the pay-the-producer option of distribution of the Crow benefit. The minister didn't have the name of the report at the time, but I believe it's an Angus Reid survey. I think some comment needs to be made about that survey, because it has since been proven less than adequate or come under considerable criticism by a study done by the University of Alberta, finding that many of the people who responded to the question did not fully understand what the implications were.

I think we can recognize, Mr. Chairman, that if you go out and ask a farmer, "Are you in favour of giving money to the railways or giving it to you?" nine out of 10 would say, "Well, give it to me." But if you explain to them that in order to turn to the pay-the-producer benefit, that would mean a lowering of some \$21 a ton of the price

they receive at the time they sell it — it would be money out of hand and returned sometime later, perhaps without interest. So this study by the University of Alberta discredited the Angus Reid study, and I would hope that the minister wouldn't see that as being indicative of the sentiment in the farm community.

There was a federal commission of inquiry, chaired by Jack Horner, that travelled around the province and looked into this method of payment, trying to receive input from groups about the pay-the-producer or pay-the-railway options. I think the support for the pay-the-railway option expressed at a majority of those meetings across the country was quite substantial. I think we need to recognize that it's an ongoing issue with ongoing implications for the agricultural community.

Another question I have, Mr. Chairman. I'll again ask of the associate minister because I believe the funds flow from the crop insurance corporation: could we have some explanation of how the Wildlife Damage Fund works? As I understand it, and I may be incorrect here, money flows from the crop insurance corporation to the minister of forestry and wildlife and then is disbursed to people who make claims under the program. I understand from a number of people in the constituency who have made claims that there is a total absence of funds now because that which was allocated for the given period of time has been used and more funds need to be coming. Anyway, it's an area that I don't have good information on, and I hope that either minister would enlighten me on it because it is something that people in the constituency are concerned about.

I might ask another question of the minister, if I could, Mr. Chairman. He talks often about lowering inputs to producers, and I think that's a laudable goal. I'm sure he's aware of or has heard of, because of experience at the federal level, a generic farm chemicals Bill that's been introduced by our federal colleague Lorne Nystrom from Yorkton-Melville. I just wonder what this department's stand is on the generic farm chemicals Bill. Are you pushing the federal government to implement this legislation? Does this department have some concerns with generic farm chemicals? I think the research is pretty interesting, Mr. Chairman. It shows that farmers in Alberta pay some 30 percent more for chemicals that we use here than producers in the United States do, and that's taking into consideration the difference in dollar value. Our feeling is that if we can introduce some greater degree of competition into the farm chemical industry, producers would benefit from it. Knowing the strong belief the government has in competition. I'm sure they'll pursue this a little further.

Mr. Chairman, perhaps this is a good point to rest my breath and see if I have some further questions later on.

MR. HERON: Mr. Chairman. I welcome the opportunity to speak to the very worthwhile and innovative programs and efforts of this government to address the problems facing the Alberta agricultural industry and to commend the minister and associate minister for their expedient and helpful efforts toward this industry.

In the macro-environment the agricultural sector is experiencing very difficult times. The plight of the Alberta farmer is all too well documented over the past two years. Farm debts, low commodity prices, and unfavourable harvesting conditions have produced a multitude of financial stresses on this farming community. To many farmers their present situation and future can be summed up in one word:

survival. The statistics speak for themselves: farm cash receipts for the first quarter of '86 are down 14 percent from a year ago; for the same period farm input costs rose 2.4 percent; the index of farm prices of agricultural products for last month is down 7.6 from a year ago. These are frightening statistics, and it doesn't take a rocket scientist to see that agriculture in Alberta is hurting.

We do know that Alberta farmers, through this government's actions, have the lowest input costs in Canada. The problem rests with world demand and supply. In a world market where many countries subsidize grain prices — for example, the European Common Market countries — we are definitely at a disadvantage. World grain supply is increasing, and it's hard for me to believe, but it's been recently reported that India and France are now net exporters of grain. There are no guarantees in world markets, and the picture constantly shifts. For example, if European governments cannot afford the high subsidies into the future, then the North American growers are more than competitive on a level playing field.

One may respond to the agriculture problem with the solution that government-guaranteed prices and heavy grain subsidies are the answer. In my view, there is no room for increased government spending on massive bailouts or subsidy programs. We must bite the bullet and allow the short-term market swings to self-correct for long-term gain and to create a healthy industry. Agriculture has been and always will be a cyclical commodity.

Our government has taken measured responses to invest in the agriculture sector with the financial programs announced and farm stability legislation. It is in this light, while supporting the notion of short-term relief for these vital sectors of our economy, that I cannot support long-term subsidies. Subsidies may be justified as a short-term band-aid to extraordinary circumstances faced by producers, but in the long term they lead to a misallocation of economic resources and inefficiency. This government, I feel, has taken appropriate responses to assist Alberta's economy. But I caution that with reduced resource revenue coming into provincial coffers, I believe we will be limited in what we can do.

I emphasize in discussing the farm stability program that this is not a \$2 billion subsidy but a long-term investment in Alberta farmers — investment deliberately directed towards Albertans at a reduced interest rate. I heard just a few moments ago from the minister from Vegreville . . .

MR. FOX: Sounds good, Jim.

MR. HERON: Good. I heard from the hon. Member for Vegreville that we should cut the interest rates 3 percent. Three percent on \$2 billion equates to \$60 million. I don't think there's room in a period of restraint for flippant reductions which produce misallocations in the economy by just buying down the interest rate.

Let me leave the macro-aspect of our agriculture industry and turn to specific programs implemented and administered by this government to promote agriculture. I wish to commend and single out two long-range programs structured to develop long-range markets for products. The first organized promotion of Alberta-made food and farm products began in 1974 with the formation of Agri-Prom, later to be called the Alberta Food Processors' Association. The mandate of this association is to promote in the province food and beverage products that are processed in Alberta. Since its inception the Alberta Food Processors' Association has

received substantial support from the agricultural industry to carry the Better Buy Alberta message to consumers in this province. Government support has come in the way of annual grants, specific project funding, and manpower.

The processed food marketing expansion program was conceived in 1985, when two special projects were given government approval. A strategy for improved market share, or SIMS, and the rural agricultural product promotion, or RAPP, were both given the green light after receiving an endorsement from the agricultural caucus committee and later cabinet.

The SIMS project was stimulated by the white paper Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990. The SIMS proposal was considered to be the agricultural producers' response to the white paper. It is also a project which offered a continuity over three years, as opposed to the yearly planned programs of the agricultural producers' association.

RAPP was considered complementary to SIMS and was therefore put forward on the same RDF. RAPP began as a small pilot project in central Alberta. Alberta food products were identified and promoted in retail grocery stores in Ponoka, Wetaskiwin, and Rimbey. SIMS and RAPP were implemented in the fall of 1985. The purpose of these programs, simply stated, is to promote the Better Buy Alberta message in a way that will increase sales and market share. SIMS and RAPP were encouraged as a way of addressing the government's priority on marketing value-added food products.

SIMS has three parts: promotion, consumer awareness tracking, and measurement of sales. Promotion is done mainly through advertising, which is designed by a Calgary firm, Highwood Communications. Consumer awareness tracking and measurement of sales were built into the program to determine its effectiveness. The key long-term objectives of the SIMS project are: number one, to provide stable domestic markets for the province's food processing industry and the primary agricultural sector; to create growth and diversification in the province's food processing sector; to enhance the economic activity in the province through positive impacts on employment, construction, and other vital areas of industry; and four, to replace imports of processed food products in Alberta.

The SIMS/RAPP program is a corporate campaign which is designated to deliver one major message: Better Buy Alberta. A key element in the Better Buy Alberta program is the support of food wholesalers, retailers, and food service operators in Alberta. Wholesalers and major retailers like Co-op, Safeway, IGA, and Woodward's have become important partners in support of the Better Buy Alberta campaign. The processed food market expansion program is designed to enhance the marketing of packaged consumer goods. Greater demand for Alberta-made food products will pull more farm products through the system. Tracing the impacts of increased packaged goods sales back to the suppliers of raw products is difficult. Some processors use Alberta farm products as their main ingredient; others have very little Alberta content. Nonetheless, it is important to encourage value-added processing and diversification in the food industry. This in turn provides an environment conducive to innovation and new product development with a potential for using more agricultural products in the future.

SIMS and RAPP are good examples of industry/government co-operation in marketing Alberta-made products. The Alberta Food Processors Association will receive from 1985-86 through 1987-88 approximately \$1 million annually to pro-

mote Better Buy products. SIMS and RAPP would not have been possible without government support. However, it is the goal of the Alberta Food Processors to carry SIMS and RAPP beyond 1988 without government participation or assistance.

Currently the government-funded program is one of the best in Canada. Other provincial government departments, aware of the Alberta initiatives in market development, are considering modelling their programs after this Better Buy Alberta program. In conclusion, the statement made by the Hon. LeRoy Fjordbotten is as applicable today as it was when SIMS and RAPP were announced in June of 1985.

Before concluding, through the Chair I would like to reinforce to the ministers of Agriculture their commitment to a commonsense, feet-on-the-ground approach to agriculture. We've heard this evening from the row to the south — and I hesitate to use the word "right" — some heckling and criticism. I say to the ministers that we consider the political ideology of those offering that heckling, that we look at the same ideology that put this country \$236 billion in debt, the same political ideology that took a grandfather of the flower children and put him in as [Prime Minister]. Thank goodness we had our feet on the ground with commonsense programs. For today that \$236 billion in subsidies and giveaway programs translates to 33 cents of every tax dollar...

As we moved further this way, we heard some heckling too. I looked the other day in *Hansard*, and I saw where the Member for Calgary Mountain View spoke in glowing terms of the subsidy programs and spend programs in Manitoba. I kept saying to myself as I read through *Hansard*: where is the bottom line? Let me, for the other side of the story, conclude that bit of glowing praise. The March 31, 1986, operating budget shows the province of Manitoba \$5.8 billion...

In closing, Mr. Chairman, I'd like to recapitulate on those nonsense programs. First, on the political ideology that put us \$236 billion, this translates to \$6,260 in debt for every man, woman, and child. Taken with the liberal spending policies and giveaway programs of the socialists, that translates for a family of five to \$58,000 in debt. I stand very glad, Mr. Chairman, that we can look to a heritage fund, to a net plus in this province, to sound agricultural programs, the backbone of this province.

Thank you, sir.

MR. PIQUETTE: After that fiery speech by the Member for Stony Plain, I hope he's not a farmer. I wouldn't want to be living nearby to him, because I'd probably go out there with my pitchfork.

Anyway, I thought I'd start tonight's deliberation by telling a little farmer's joke that I picked up around Athabasca last week, just to liven up the moment a little bit more. You've already heard tonight about the farming crisis, how bad it is, and you've also heard about a lot of child abuse going on in rural Alberta. This farmer was coming out to shop in Athabasca, travelling at about 60 miles an hour, and lo and behold, the RCMP stopped him and pulled him aside. Next thing he knew he found out he was handcuffed, so he turned to the RCMP and said: "Why did you arrest me? I didn't do anything wrong. I was going according to the speed limit." "Well," he said, "we've just had a report that you've been charged for child abuse." "What? I never touched my son or daughter. How can I be charged?" "Well, we just had a report that you sold your farm to your son."

That's the kind of joke we're faced with in rural Alberta. The whole tradition of farming as a business is very quickly disappearing down the tube. In terms of it being a profitable business, it really hasn't been profitable. Whatever political ideology we belong to, we have to ask ourselves the question: do we believe in the family farm? If we do believe in the family farm, then we must answer the next question. If we are going to preserve the family farm in rural Alberta, we must make it a business again, and we must address the provincial issues, the federal issues, and the world issues that we're living with and not simply use little phrases that perhaps sound good to some people but really don't put any bread on the table. We have to address those issues very seriously in this province if we're going to be moving ahead.

When I look at the estimates, I'm very encouraged that we have made agriculture a bigger priority than it was before. To be honest, when you look back at '81-82 up to the '85 budget year, agriculture by this government and even back in the 70s was one of the little blurbs. I guess, that they had in their budget estimates that amounted to approximately 2 percent of their budget. It really was not paid attention to by this government whatsoever. So I'm glad that we're looking at it.

For example, in terms of direct payments to farmers, in this year's budget they amount to \$357 million. We talk about \$500 million or \$600 million, but in terms of the grants going directly to farmers, in terms of the interest shielding plan which, by the way, will cost around \$20 million and the red meat stabilization plan, which will probably not be taken up very much by the farmer because a lot of adjustment — I hope the associate minister looks at that red meat stabilization plan, especially in terms of the cow-calf operators. I think that plan needs to be addressed. I've talked now to a great number of cow-calf producers in many parts of Alberta, and they all criticize the program in the same way. I believe we have already talked to the Minister of Agriculture about that, and there are review periods. I hope these review periods are kicked off pretty quickly, because I think the cow-calf operators are in need of making sure that we retain the lead for cattle producers in Alberta.

If I can take an example from the meat packing industry, it says in the *Edmonton Journal* ... Am I able to quote from a newspaper in the estimates?

AN HON. MEMBER: Yes, you can.

MR. PIQUETTE: Okay.

"There is going to be a ... vicious tight between plants to see who survives." ... "Not all plants are going to be able to stay in business; they are trying to position themselves so that when the crunch comes their cost picture is such that they will be able to pay a higher price for cattle." ...

Cattle numbers are down because of an earlier rash of over-building and over-optimism in the industry. Prices crashed and producers made the decision not to breed as many feeder cattle. Mills said it takes 3 1/2 years for the cattle supply to turn around, and over the next couple of years ... numbers are likely to drop by another 10 or 15 percent.

MR. CHAIRMAN: Order please. I hesitate to interrupt the hon. member, but the Chair has some difficulty understand-

ing the relevance of the *Edmonton Journal* to the discussion of the committee.

MR. PIQUETTE: I asked you whether I could.

MR. MARTIN: Yes, you can.

AN HON. MEMBER: Who said yes?

MR. MARTIN: On a point of order, Mr. Chairman. It's very clear in *Beauchesne* that in the estimates you can quote from any paper to make a point. If I want to quote from here or even from a Conservative membership book to make my point in estimates, I can.

MR. CHAIRMAN: I won't comment on the Conservative membership book. I think that what the Chair is taking exception to is not quoting from it but reading from it.

MR. PIQUETTE: I'll continue here and make the point. The point is that the projection in terms of cattle producers in Alberta is a fairly dramatic decrease in the numbers of cattle that will be marketed in the province in the next few years. This will be a much increased thing if nothing is done to make sure that our cattle producers — in terms of cow-calf operators, you must have calves out there if we're going to be finishing the cattle here in Alberta. The projections are that it's going to be going down by 10 to 15 percent.

I'm one of them, and the big thing is that it's a cost/price squeeze. You're just not making money at 82 cents a pound. The meat stabilization plan guarantees — if we're going in terms of a national plan, it must be adequate to do the job that the government wants it to do. I have to say that it's not doing that job and it must be adjusted in order for Alberta to retain that lead. We've lost the lead in the pork industry because the government let other provinces take that lead and subsidize their producers. We can address the ideology problem as the Conservative members have done, but the reality is that there are subsidies going on in this world, whether it be in the European Common Market or in other provinces, and it's about time in Alberta that we stopped fighting the ideology battle on the backs of the farmers. Let's make sure that we retain the lead here in Alberta.

This article goes on to talk about some more rationalization of the meat packing plants taking place. We've already faced seven closures in this province in terms of meat packing plants. Are we going to be losing a couple more because of the fact that we don't have the necessary cattle and pork in order to keep these plants viable in the future? So that's another issue that the minister has to address in terms of its plan. If we want to retain jobs in this province and create new jobs, what better way than to address the whole agricultural picture in terms of where we have natural advantages that we must develop.

An area which shows the lack of interest in the government in terms of making sure that we develop new — you know, the Better Buy Alberta product does have its good points. I see, for example, that we are only spending approximately \$2.5 million in research for developing the food processing industry. Where are we going to find our markets if the markets, as some of the members have indicated, are closing off elsewhere in Canada?

It looks like we are putting some focus on the overseas market and the Americas market. But then again, and I

must quote from someone in the industry that you do not make a profit by processing:

There's no contribution to profit (from slaughtering and packing) at all.

If you just take a hog [or cattle], kill it and cut it up, you're losing money.

The only way you can make money in the meat processing industry is to process the product here in Alberta, and that is not happening except in a couple of the meat packing plants.

We must turn our attention to make sure that we have the necessary research dollars and incentive or whatever it takes to make sure that the companies we have in this province are going to process the food in Alberta, to look at new market potential and new products, and then to address the whole international market situation or other market situations in Canada.

Another thing that I would like to see the Minister of Agriculture addressing is the whole leadership of the agricultural industry in Canada. In western Canada we depend for our livelihood in terms of having a strong agricultural industry, and that must be also translated in terms of the kind of leadership we're doing at the federal level.

We are talking about free trade, for example. We don't even have free trade in Canada. Why don't we start taking down some of the barriers across Canada, so that we can have access to markets down east or in other provinces rather than having to be looking for all our markets down in the States or overseas? I think strong leadership at the provincial level is necessary to make sure that we address those issues.

My friend from Vegreville indicated a lot of the points that I wanted to make in terms of the other programs. But I do think that what we have to start doing in this province in terms of the energies devoted by this government — we are spending approximately \$100 million of administration costs in the Agriculture department. How much of that money is really going to make sure that we are servicing our agricultural industry, our farmers at the grass-roots level, to the maximum potential, so that we have, near where the farmers are living, the kind of assistance they very often need to apply for the grants that are coming out?

I would hope that, for example, we have some type of incubator program for the farmers, where they're able to get advice at their local financial institution. Some questions are developing, for example, in terms of the 9 percent loans; even the banks do not know at this time what will or will not qualify for these loans. We must have this information available very quickly when those programs come out so that there's not going to be confusion out there when the program is developed. I would hope the Minister of Agriculture will have in place a very simple manual that will enlighten the farmer and the banking institutions so that they know exactly what qualifies and doesn't qualify for the program and keep it — like one member isn't — in simple English language, so that we don't have to hire a lawyer in order to be able to know what this assistance program is all about.

I believe I've got one more thing I want to say, if I can find it in my mass of documentation. I want to talk briefly about the drilling assistance program. I'm not quite sure which minister or associate minister handles that. I think it's also handled by the Department of the Environment. I have received a number of complaints from parts of my constituency, and I've received some from outside as well



in the last few days. Last year a letter addressed to farmers indicated that after a driller had permission to drill, say, to 100 feet, if they wanted to go further than the 100 feet in the drilling or test drilling of the well, the driller was to contact or make a phone call to the department in terms of getting permission to go ahead further.

When unethical businessmen or drillers were in charge of some of these drilling programs, they would phone the department, sometimes get a negative answer to their request to go further, turn to the farmer and say, "I had permission to go 150 feet or 350 feet," write out the bill, collect the paycheque, and leave the farmer sitting with a program that he thought was funded by the provincial government but in fact was not.

When I phoned the Department of Agriculture and the Department of the Environment, there had been a number of cases where this unethical business did that not only once but a number of times. Again, the language of the information that farmers get very often must not be open for an unethical businessman to take advantage of government programs. When the government is at fault — for example, I could show the letter to the minister relating to that letter on last year's program — it is very unclear about how the farmer should proceed. When that is the case, I think the government should take the benefit of the doubt and pay out the program rather than simply letting the farmer hang out and lose \$1,000 that he's not able to afford in today's marketplace.

One of the things the Minister of Agriculture has indicated is that he has an open-door policy in terms of input from the farming group and from this side of the House. I would appreciate it if, during the course of the year as these various programs are made available, especially the assistance program for the financial package that will be shortly addressed, we can have an open-door policy as well, because there's no doubt that with any new government program some minor changes will have to be made to expedite that.

In conclusion, I would like to take the opportunity to again indicate to the House: let's not get lost in the ideology of it. Let's make sure that agriculture retains its number one priority in deeds as well as words.

Thank you very much.

MR. FISCHER: Thank you, Mr. Chairman. I would first like to commend our new Minister of Agriculture in his portfolio. He's a new man to us in the Legislature with a lot of experience, and certainly we welcome his knowledge that he brings here.

It's nice to welcome our people from the Agriculture department up in the gallery. We have our deputy minister, our assistant deputy minister, and many other officials from the department. It's nice that you should come out tonight and share some of the agony that sometimes we go through.

I would like to make a few comments about our Canada-Alberta Nutritive Processing Agreement, the old one we used to have. In my constituency we encouraged the Canada Packers company to come in and build a canola oil refining plant there. It's a \$9.1 million plant. It processes the crushed canola oil and makes it into edible oils. It is shipped to Edmonton and Vancouver and made directly into products. Some of it is exported; a lot of it is sent all the way across Canada. Certainly that has been a real boost to our economy down there, and it's a major part of our diversification in Alberta. Also with that particular program we have two small meat packing plants, but they are growing and building

up. Certainly the way the industry is going in the bigger plants, those places are going to be very valuable to us.

I'm very pleased with the signing of our new Nutritive Processing Agreement. It certainly is a much larger one, and I'm sure that we're going to have some nice things come out of that one as well.

I would also like to talk for a minute about our farm fuel distribution allowance. I think we don't put enough emphasis on that particular plan. We spend \$120 million a year that goes directly into farmers' pockets. When we talk about some of the other provinces and what they have done to encourage their hog industry and so on. I don't think any of them can compare with the number of dollars that go to assist our farmers through this program. This program has been in place for a number of years. It was put in in 1974, and it began with 8 cents a gallon. Of course, it has been increased a number of times up until now. It is 14 cents a litre, and I would just like to compare it a little bit with some of the other provinces. We get 14 cents a litre here in Alberta. In Saskatchewan they get 4.6 cents; in Manitoba they get 8.9 cents; in B.C. they get 3 cents. So you can see that we do provide the highest farm fuel rebate in Canada.

One other very, very nice thing about it is that because you have to use the fuel in order to get the benefit, it's a very fair and equitable method of distributing this program. Certainly we have very little abuse and very, very little trouble with it. As farmers face these increasing pressures on their net return on their operations, it is vital that we continue to provide support through this program. I would encourage our minister to keep that in mind.

I want to make one small comment about our weather modification. It really was for the benefit of our Member for Vegreville, and I notice that he's not here right now. It is very nice to help the hail problems in the central part of the province. But when you start doing that and you start affecting some of the weather outside that area, it can get to be such a major problem that I don't think the government should ever try to control the weather. Who do you think should get the rain, if we could control it, and who should get the hail?

I have to say that in the Wainwright, Vegreville, and Vermilion areas, during the last 10 years when this hail suppression program was on, the hail rates have increased about three times. We used to pay about 3.5 percent for our hail insurance: now we're around 9 or 10. No one can tell for sure whether it is just a natural weather pattern or the experiments are affecting it a little bit. The other thing is that when you have a research program, it's nice to be able to show some kind of results for the money that's being spent.

One of the major things, of course, is our market development and these new GATT agreements that are coming up. I would like to ask the minister just what kind of input we have in those. Can we get some influence and input into those agreements? They really are the bottom line to what happens in our agriculture, and we could sure use a little bit of a boost with that right now.

One of the other things, which was mentioned by the Member for Athabasca-Lac La Biche, is the interprovincial tariffs and removing the disparities between the provinces. Then I heard him talking about more assistance and more help and programs here in Alberta. Those are the very things that he wants to remove in the other provinces. I would suppose that if we're going to get those barriers removed, we're going to have to show a little bit of initiative

in removing some of ours as well. I think that's the way the bargaining goes.

With that I think I'll sit down and look forward to the minister's answers. Thank you.

MR. TAYLOR: Mr. Chairman, may I also in starting out extend my congratulations to the minister for his good nature and his genial outlook, no matter what we throw at him from over here. I can't think of an easier target.

I also want to give him congratulations on the crop insurance. It has been in opposition parties' platforms for a number of years now that the provincial government had been getting a free ride and that the farmer and the federal government were putting up roughly 80 to 90 percent of cost and the provincial government wasn't. Now that the provincial government is rightfully taking its share, it means there will be more crop insurance for the farmers, and for that I congratulate him.

Touching briefly on hail suppression, I am one of those raised in southern Alberta, where hail was a lot of a problem. I know the associate minister has been known to express concern about hail suppression. I think she thought it caused more rain in her constituency after it came about, leading you to wonder about that song *Raindrops Keep Falling on my Head*. I think we should put a little more time and money in it.

Unlike the Member for Wainwright I think there's nothing wrong with tampering a little with nature. After all, that's what farming is all about. If you didn't tamper with nature, you wouldn't have a farm. You start breaking up the soil and you introduce ideas for crops. The whole idea of farming, as in agriculture, is to be able to provide food at reasonable prices to a hungry world. And to do that, you do tamper with nature, or you just try to take advantage of it, you might want to call it. But to sit back with the inevitable laissez-faire attitude that I hear from some of the people and the other gentleman from Stony Plain — just sort of let the Lord look after things — is not the way I think a government should be run. [interjection] I know, some people argue that if the Lord were looking after things, you wouldn't be in power. Let's not blame him for that.

I could comment on anything; one would be the input costs. Maybe the minister could help me some there. The representative from Cypress touched on the fertilizer very adequately, but I think it's worth investigating, because these things grow in time, Mr. Minister, to where probably even I might be exaggerating a little now. Heaven forbid. But after all these years I think there's something to the idea of dumping excess fertilizer from our plants into the U.S. and then it floating back up here. It should be looked into, not with the idea of raising the price to the Americans but lowering the price to Albertans.

While we're at it, while we're talking about fertilizer, I would think, Mr. Minister, that you could talk to the Minister of Energy. I notice he's gone to bed early tonight, and I don't blame him after the bad time he's had today. If you get a chance to talk to the Minister of Energy, you might suggest to him that the amount of royalties now charged on natural gas that goes into fertilizer plants is really counterproductive. Why can't we take the royalty off the natural gas that's used in fertilizer plants to make fertilizer, give the resulting cheaper fertilizer to the farmers, and in the long run get a lot better crop? [interjection] You get a subsidy; you take it out of one hand and you hand it back. But I'm saying that right now — well, let's put it this way: if you're not doing that, then the ones that

you're shipping fertilizer out of the province to in Montana are getting it cheaper than they are here. So something's wrong with the whole economic picture. I know the former minister said he's looking after natural gas prices and that they're not paying the tax. But number one, we should look at it.

Number two, the other area is that fertilizer plants may be buying gas on a day-to-day market rather than maybe setting aside — much as the old United Farmers did, even back before Social Credit, and I know that's a long time back. The United Farmers set aside petroleum reserves that were to supply oil and gas to the people of Alberta, in particular the farmers, outside the competitive market, you might say, of the international market setting, a price that went up and down. That might be something that you could look into, Mr. Minister.

I noticed that the gentleman from Wainwright did some bragging about your fuel cost subsidy. That's quite right. The government has given a better fuel cost subsidy to farmers than possibly most of the other provinces. But it becomes a nonproductive thing. You might be a lot better off, instead of calling Sheik Yamani, to call the Prime Minister and ask him to quit raising the tax on fuel. Any subsidy we put on only equalizes what the federal government has already taken. It's getting to be a kind of a rat race where if you add a penny a litre onto your subsidy, the federal government puts a penny a litre or more tax onto it. So I would suggest that we might save ourselves some money on subsidies if we get a hold of the people that are running the government in Ottawa, grab them by the ears, shake them up a little bit, and tell them to quit raising the tax on fuels. That way we'd all save money.

When we come to land costs, I know that the minister couldn't possibly have misunderstood me when he said that I was talking about socialized land. It would never occur to him to try to put words in my mouth or get me in trouble in my constituency. Nevertheless, I'll go through it again very slowly. One of the big costs for farming has to be the cost of holding title to a piece of land. The early ranchers, who were free enterprisers long before the Tory party was invented, had a system of holding onto land fairly cheaply. It didn't worry them to only have title on the main place and then have a cattle lease on the huge amount of acreage involved. Yet the farmer today, especially the grain farmers who have a lot of acreage, are expected to carry a huge load holding onto land titles.

I'd like to suggest to the hon. minister that he investigate methods — and these could be privately controlled, privately owned, a trust; you could even call it the heritage trust fund if you wanted, a voluntary setup — where the farmer could, if he or she wished, and I'm going to come to the "she" part shortly, put their land in on a lease-back basis, the same way an insurance or oil company does with their office building. They put it in and then lease it back over the years into a fund. Then the farmer would only be paying a lifetime rental, you might say, which he could pass on to his children if he so wished, based on crop shares. That could be a privately controlled corporation just as easily as it could be public. It's not a case of whether or not it's nationalizing land, and secondly, it's not a case of whether it's compulsory. It would be entirely up to the farmer. But what a way to get rid of a huge carrying cost, if he could farm the land without paying the cost of having a piece of paper that has his name attached to it on the off hope that the government in power of the day may allow him a capital gain when he gets old enough to retire.

When we go into land costs, we go over into the cost of money. I'm still troubled with the high interest rates that the minister and Treasurer seem to suggest will take place in this new program to help out the farmers in borrowing 9 percent money. Money has been one of my pastimes for many years. I've probably lost more money than I'll ever see, but I can assure you of this: when a bank or a private institution lends you money and they get the interest back, they pay income tax on the interest. Now we're talking about loaning money here in Alberta to farmers, and we don't pay income tax. The Alberta government does not pay income tax. The heritage trust fund does not pay income tax, so what in the world is the justification for charging a rate that's very close to what the bank is charging? The bank nets much less out of it than does the government.

You might even take it further. Is it possible that this government would go so far that they're trying to protect the banks, insisting that they're afraid to lend money at cheaper than what the banking rate is for fear that they're cutting into the bankers' normal market? I suggest to you that bankers have long since quit loaning money to farmers and wouldn't even be a darned bit concerned if you started loaning moneys to the farmers. Therefore, the old reason this government had, of keeping interest rates up because you didn't want to offend the bankers in this country, no longer exists, because the banks aren't loaning to farmers. So why not lend them money at lesser costs than what you're doing today?

I go on a bit further. I read your outline, Mr. Minister, on how you're going to lend the money. It's on so-called good security, which is fine, but it says 20-year terms with fixed payments or they can use their principal and interest variation. Nevertheless, the fact that you say "20-year term" implies as strongly as I know in the financial community that they're expected to pay something every year. I suggest, Mr. Minister, that a loan should be based on the farmer's crop or return. It should float up and down. If he gets 10 years' good crops, so what? Your 20-year loan has been paid off. But the idea that it's a 20-year term has to concern me, because it gives a very clear impression to me that come hell or high water, he is expected to come up with some money.

While we're on that, any of you people who have made any money and pay the bank, I'm sure you take it off your income tax. It may be a little rare lately to have anybody pay income tax, but if they do pay income tax, and there are farmers that do, if they borrow from this fund, they're going to be allowed to deduct their interest costs from their income tax, which is fair enough. However, the farmer that's having a heck of a time making ends meet or carrying forward a loss doesn't pay income tax, so the cost of interest to him could well be 25 percent more than the guy who is paying income tax. In other words, we're telling the successful farmer, the one that doesn't need the money, that we're reducing his interest rate by the amount he can deduct off it. Yet the fellow that really needs it, the one that needs to be bailed out, is expected to pay the full interest rate.

I move on to another one, the \$200,000 per family. Here again I'm very bothered, and it's not because I have seven daughters and I'm used to having the women of the house tell me what to do. But the fact is that if a man goes into partnership with a woman who just happens to be his wife, you tell him that \$200,000 is all he can borrow. If he goes into partnership with a woman that is not his

wife, he can maybe qualify for \$400,000. Now, Mr. Minister, I'm not suggesting that you're contributing to sin, but I am trying to suggest to you that \$200,000 per family unit — what is a family unit?

DR. WEBBER: On a point of personal privilege. I just want the hon. member . . .

MR. CHAIRMAN: Order please. Would the hon. member sit down.

DR. WEBBER: I'd like the hon. Member for Westlock-Sturgeon to know and *Hansard* to show that I haven't gone home to bed, as the hon. member has indicated. However, if he's going to continue with his rhetoric. I'm sure we'll be going to sleep before long.

MR. CHAIRMAN: The Chair has difficulty sustaining the point of order. Would the hon. member proceed.

MR. TAYLOR: I'm glad to see, Mr. Chairman, that he does come alive sometime in the day, even if it is at ten after ten. After this I'll ask the questions later in the day so I can get some answers.

On the \$200,000 per family unit, I think there should be more clarification, Mr. Chairman and Mr. Minister, of just what a family unit is. I think there are many farm units out there where both the wife and husband are full partners working night and day, and I think they qualify for just as much as a person with a brother or a cousin that happens to be farming. Or have we progressed in 1984, '85, or '86 to such an extent that we will have snoops going out there to see whether they're living together, to see whether it's a family that's borrowing? I think we have introduced an element in here that leaves a great deal of doubt as to what could happen.

I think I've already mentioned the Debt Adjustment Act — or I haven't mentioned it; the Member for Vegreville has done a good job of bringing that to light. Both the NDP and Liberal — I should argue that anybody who has read the history of Alberta is aware that the Debt Adjustment Act is a very, very important piece of . . . [interjection] The natives are getting a little restless over there. The Debt Adjustment Act could be put into effect. I think, just by dusting off some of the old legislation of the 1930s. I don't think it's at all difficult, particularly today, when the biggest foreclosers of farms in this province are departments of the provincial government. At one time a government was elected to stand between the farmer or the businessman and the captains of industry, the bank lenders, the money lenders, Bay Street, or whatever you call it. But it's not that anymore, Mr. Chairman. If anybody forecloses today on a farmer or a small businessman, it's likely to be a unit of government.

I think that it's very important, and I think the government itself should think about putting some son of arbitration business between the person who wants to foreclose the mortgage and the one that's being foreclosed upon. A Debt Adjustment Act sets up nothing more than a debt adjustment board where they'd have to appeal, and the board would have the right to set aside payments, stretch them out, or move them around. It wouldn't cancel it, but it would have something to do, and I think the minister would be well advised to think about it. Much as I hate to give him advice that might save his own bacon, it's an idea that he could put out, because I think there's a storm building up there. People are getting tired of being hassled by a government

agency to come up with their payments and to explain in a rather unilateral way as to what went wrong.

Now we look at the votes. I'm going to go through this fairly fast, Mr. Chairman. I notice that in general the department support services ranked in at around 4 or 5 percent, but the minister's office increased by 13.8 percent. I can only presume that maybe he is remodelling his offices or whatever it is, but it might be wise to explain to the people of Alberta why the minister's office costs have increased by 13.8 percent. I hope there isn't an investigator to check out whether it's family units that are borrowing.

On vote 2, the impact on grain market adjustments, red meat stabilization, farm fertilizer price protection plan — unless I misread what is going on in the federal government on free trade, these things look as if they could be running counter to the whole spirit of free trade. If there's anything that a modern Tory is identified with, it's pushing the idea of free trade. I just wonder how this is going to be compatible, Mr. Chairman, with the free trade negotiations that are going on now. Has there been any check or any looking into whether or not the support, the fertilizer price protection which the Member for Macleod was so proud of, and red meat and grain market adjustment is in any way affecting free trade?

The other question was already brought up by the minister from — I want to call you a minister. I can't help it; it's a Freudian miss or whatever it is. The Member for Vegreville mentioned the withdrawal of \$6 million assistance to sugar beets. I'm sure that the minister must have an explanation for that.

We come to vote 3, talking about product research or market development. I'm just a little concerned. There seems to be that rather than marketing assistance, and I'm having a little trouble understanding why we haven't done more in research in markets here in Canada, because \$3 billion of produce is imported into Alberta every year. I don't expect us to use our cheap natural gas to grow large quantities of bananas, Mr. Chairman, but I do think there is a market that we could be addressing here. We're importing \$3 billion worth of produce, yet we turn around and see them talking about promoting trade missions abroad, which is fine. That's well and good, and we should be exporting customized products, but I don't get the impression from the way the budget is set up that we are exploiting our own markets here in the province.

Maybe the minister could add time — I notice he has a whole phalanx of assistants up there — to explain the marketing council and its functions. It mentions there that the budget has increased by 77.5 percent for the marketing council, so what are they going to be doing next year that they weren't doing last year?

We've talked about market development in the Americas. This has to be a grabber: up 98 percent to \$703,000. Maybe indeed, Mr. Minister, you have developed a banana that you're going to ship down there. How come the big increase of 97 percent to the Americas, markets that I've heard of very little potential from, yet a paltry \$82,000 increase for overseas markets, such as the Pacific Rim countries or European markets, where we think we can, in fact? Maybe there's some way he could explain and clarify that.

We come to vote 4, Mr. Chairman. If the Minister might take a moment to put down a question, agricultural engineering services have increased 89 percent. I'd be rather intrigued as to why agricultural engineering went up that fast.

If I may close off, Mr. Chairman, the thing is to do with the phones and phone tolls. It bothers me that Unifarm reported that two years ago AGT — Alberta Government Telephones; my pardon in case anybody thought it was Alberta Gas Trunk — had told them that for \$100 they could get private lines to farms in a 20-mile radius. Since 90 to 95 percent of Alberta farmers are in that radius, a cost of \$500 a farm — although it's been heralded as a great advance in technology, admittedly 28 years after Saskatchewan had already done it, the point is that I think we are charging a rather exorbitant price to our farmers. It's a form of rationing possibly, and in the old days it might have had some reason to be there. But if we're trying to indeed connect our farmers to give them private lines at cost, I can't see where the average of \$500 that I've been quoted or have read in the speeches comes about.

Finally, Mr. Chairman, to the minister, one of my pet peeves — I notice he was kind enough to say he had been raised in a feed mill and knew all about what problems the farmers had bringing stuff in and out. If he travels Alberta, one of the things I think he will note is that the phone systems are prejudiced so that you can phone into the city with no toll from quite a distance out of town. You can be 50 or 60 miles out of Edmonton or Calgary. Yet if one town wants to phone over to the other town, sometimes only 10 miles away and sometimes between that point and the city, they have to pay long-distance calls. Obviously, Mr. Minister — whether it was intentional or not, I don't know — there is a bent to our phone toll system that encourages calls to go into the city rather than to go back and forth between farmers or back and forth between small towns.

I think it's important in agriculture to develop the businesses, the capacities, and the services in the small towns, rather than have the farmers have to take a half day off from their work to commute off to the big city. The phone toll system as it's now put in discriminates against that. I would go as far, Mr. Chairman, as to suggest that just possibly this government is locked into the past and that their thinking on tolls is very similar to those that used to think that tolls for highways were necessary to pay for themselves. It took some innovative Liberal governments 50 years ago to find out that when you took tolls off the highways, it increased the commerce to such an extent that there was more revenue to government, so to put in a toll highway was a retrograde step. I would suggest, Mr. Minister, that tolls on the phone calls — at least the first three minutes . . .

MR. CHAIRMAN: I hate to . . .

MR. TAYLOR: I'm just on my last second. I just want to tell him — I don't need the mike — that he should look at that very carefully.

Thank you very much.

MR. ELZINGA: Mr. Chairman, in view of the fact that there have been so many questions asked during the debate tonight, I wonder if I might have this opportunity to respond to a number of the concerns that have been raised. I look forward to responding to a number of the questions. I've made a good number of notes here.

At the outset may I take this opportunity to commend the hon. Member for Cypress-Redcliff the hon. Member for Wainwright, and the hon. Member for Stony Plain for their constructive contribution to this debate. I can't quite

recall how the hon. Member for Westlock-Sturgeon worded it as it relates to shipping bananas, but the only banana that I would like to ship to the south is a banana from Westlock-Sturgeon. Had the member been in the House when he should have been in the House, he would have heard the minister of technology deal with the issue as it relates to rural phones, because those are under his estimates and not under the agricultural estimates.

Some questions were asked relating to the grasshopper program. There were some 3,800 applicants last year and a payout of some \$3.2 million, which averages just under \$900 per application.

As it relates to the bee producers, we had allocated last year \$1.7 million and because of the enthusiasm for this program, it cost us \$2.4 million. The average payout was somewhere in the vicinity of \$10,000, and there were 250 applicants for a total of that \$2.4 million.

I want to deal with fertilizer cost, too, as that was raised. The hon. Member for Westlock-Sturgeon again is suggesting we remove the royalties. When we export 80 percent of our fertilizer to the United States, he's suggesting that Albertans should support the U.S. industry and not our own. That's what the hon. member is suggesting. When you analyze the \$50 reduction, there is no royalty cost involved, because we remove that. If we look at the farm fertilizer costs and the costs that have been saved, they work out to about an average of \$750 per farm. We have to recognize that prices fluctuate, and prices are marginally lower right now.

We talked a bit about the Crow rate benefit, and that was raised. That's why we implemented the feed market adjustment program, and as I indicated to hon. members earlier, we are constantly reviewing this program.

Rather than refer to each member that raised the various issues, as a number of them were repeated, I'm just going to go through the issues with the consent of the House. A question was raised that related to our Better Buy Alberta schemes. That was more than adequately announced and explained by the hon. Member for Stony Plain in his superb presentation.

It was indicated, too, about what great things the province of Manitoba does, and I noticed all the applause from the New Democratic Party. But we're willing to compare our programs on a per capita basis with the province of Manitoba at any time. If one looks at the fuel costs in that province — and that's that great socialist province of Manitoba. I should share with you that I'm surprised. I could understand why the Liberal Party is a little bit to the left, at least from my perspective, from the NDP, because when I listened to the hon. Member for Westlock-Sturgeon, I've never heard a more socialist speech in the time I've been in politics.

The hon. Member for Vegreville raised some concerns that related to the farm credit stability program. I should share with him that under this program, as the legislation was introduced under the Provincial Treasurer, the costs are going to depend upon to a degree what fluctuation there could be in interest rates. But it's noteworthy that in Saskatchewan they have a program that has an acreage payment to the Saskatchewan farmers, and they offer it at 6 percent. The majority of the money under that program has been put in the banks by the farmers. We want to make sure that our capital is used in a productive way, and that's why we've advocated a number of programs that do reduce input cost. We feel that this long-term borrowing is going to have a substantial impact on our farming population.

He also asked a question that related to vote 2 on sugar beets and why there was no \$6 million allocation this year. That's because none of that \$6 million allocated last year was used. I should share with him also that the federal government has allocated \$10 million for Manitoba and Alberta this year under support for the sugar beet industry.

I've got so many questions here. If I can, I'll just jump around somewhat. As it relates to the tripartite stabilization program, and I believe it was the hon. Member for Athabasca-Lac La Biche who raised that. I should share with him to date: for the cattle program, as he is aware, we just recently extended the deadline for applications.

MR. PIQUETTE: Thanks a lot.

MR. ELZINGA: Are you happy with that? Well, that's great. That was recommended by all three groups that are involved — the federal and provincial ministers and the board itself. Over 75 percent of the hog producers in Alberta are registered under that program to date. Close to 60 percent of the slaughter cattle are registered to date, and I've got to admit that there is a lower level as it relates to the cow-calf producer, but the reason is not why he is saying. The reason is that there are projections of high calf prices, and they can't see the need to involve themselves in the program at this time. The speculation is that the percentages are going to rise dramatically when there is a lowering of calf prices. I'm sure he wouldn't deny for a moment that calf prices aren't excellent right now. Or is he shaking his head and saying they're not?

MR. PIQUETTE: No. I'm saying that's not the reason why.

MR. ELZINGA: In regard to a number of other questions that were raised here, Mr. Chairman, there were questions raised as to the market development increases and our involvement in the Pacific Rim. Are the hon. members for Vegreville and Westlock-Sturgeon suggesting that we not involve ourselves in the furthering of marketing of our agricultural products to the Pacific Rim?

MR. FOX: It wasn't a criticism; it was just a question.

MR. TAYLOR: No, the other way round.

MR. ELZINGA: Well, I'll share with you why that has been increased. I'm sure we can appreciate that the yen itself has appreciated by some 40 percent, causing us to contribute more dollars, and we have to maintain two officers there to further our trade contacts in the Pacific Rim. I misunderstood the Member for Vegreville then, but I didn't misunderstand the rascal from Westlock-Sturgeon.

The hon. Member for Vegreville indicated the Angus Reid survey. I'm surprised that the hon. Member for Vegreville would suggest that our farming population didn't know what they were talking about. I've got more faith in our farming population and in their expertise, it's obvious, than the hon. Member for Vegreville, because he was saying they didn't understand what they were responding to. If he'd be kind enough to share with us the results — he didn't indicate what the results were — I'm curious as to what the results were and who conducted the University of Alberta study that he suggested. Quite frankly, we're interested in looking at that.

I've got to share with the hon. member, too, that we're delighted that 70 percent of the farming population supports the method of payment plus supports this party. We're delighted in comparison to what offered support to the New Democratic Party.

As it relates to the Crow benefit, we also feel that our rail transportation system is too expensive, and if there were a different method of payment, it would make the system much more efficient. The farmers themselves concur in that, and rather than just having blind loyalties as to what has taken place in the past, we have been using and will continue to use innovative approaches so that we can upgrade and update our transportation system in all areas of the agricultural sector.

MR. TAYLOR: Don't knock blind loyalty; it got you there.

MR. ELZINGA: When the hon. member talks about being blind, he knows what he's talking about.

But let me share with those who had indicated some questions in regard to the Alberta Grain Commission. If he would like to have me read into the record the terms of reference for the Alberta Grain Commission, I'm more than happy to, or if he wishes me to forward it to him — I'm not quite sure which hon. member it was that asked that question — I'm more than happy to forward it rather than take up a prolonged period of time in the House. The general thrust is to ensure that we do take into account the concerns of the agricultural community as it relates directly to grain, because we want to represent the farmer in a number of various ways. If he wishes me to go through that, I think it would be just as well that I forward it to him.

There were questions asked as to why there was going to be an increased expenditure on the marketing council. One of the reasons is that, as the hon. member is aware, the National Farmers Union has submitted a petition calling for a plebiscite for the automatic checkoff on cattle. It would appear that at some time the marketing council will be making a recommendation to myself as to whether we conduct a plebiscite or not, and in the event that their recommendation is to conduct that plebiscite, we're going to require funding to do so. That was one of the reasons we had included additional funding for that.

He raised concerns, too, about a reduction in some spending items in regard to vote 4. I should share with him that computers were purchased in the year '85-86. There was no requirement for additional purchases, and that is why there is a reduction in that area.

He asked how I felt about debt review. I indicated to this House when the question was put to me, Mr. Chairman, in regard to the federal legislation, that we have consistently shown that we are in support of anything that is good for the agricultural sector. We're willing to review whatever is presented to us. Since both the Liberal Party and the New Democratic Party have raised this very important issue, I should share with them that I have deep concerns about any type of debt moratorium in the damage it will do to our good productive farmers, because the banking institutions will cut off legitimate credit in the event that they feel they are not going to be repaid.

We feel we have a better alternative, and that's why we've introduced the farm credit stability program. If I can share with the hon. member opposite, the lending criteria are going to be more lenient than the traditional lending criteria at the banking institutions. My hon. colleague the

Provincial Treasurer and myself have worked very hard in conjunction with the associate minister to make sure that this is a viable, acceptable program to the agricultural sector.

Part of the delay has been our negotiations with the banks. As the hon. Provincial Treasurer has said, we are hopeful that this will be on stream very, very soon. I leave the farming population that assurance that we will have it on stream very soon.

MR. TAYLOR: It's already the longest conception period in history.

MR. ELZINGA: Well, I realize the hon. member can conceive in a hurry. Let me respond to, I believe it was again, the hon. Member for Vegreville on some specific questions dealing with vote 4.3.7. This increase is for agricultural engineering expenditures to provide funds for the farm water assistance program. If he wants me to go into the specific grants, I am more than happy to do so, but in view of the time element I shall not.

Vote 4.4, farm financial management services: this is a special program that was put in place to assist farmers to deal with management of their financial affairs. As the hon. Member for Westlock-Sturgeon also asked that, I can just underscore what I mentioned in my opening remarks about the excellent counselling services we have within the department itself and within ADC under enterprise counselling.

In response to the hon. Member for Athabasca-Lac La Biche I think we've dealt with the cow-calf program. I would suggest that he bring up the drilling assistance program he referred to under the appropriate estimates, as it does fall under Environment.

I want to leave him with the assurance that my door will be open to him, as I've mentioned to him, and I look forward to working with him. But I want to caution him that we're not always going to take for word what he does say, because he was very selective in the quotations he took out of the *Edmonton Journal* article. He didn't read a key paragraph in it, whereby it indicated that in the last two months before the strike the two hog processing plants presently in existence in Alberta were killing and processing the same number of hogs as handled in 1981 in four plants. So there is an increase in efficiency, and that's what we are advocating, Mr. Chairman. We're attempting to make our entire agricultural system more efficient so that it is more responsive to the farmers of Alberta. We also want to make sure that we have a world-class food processing industry, and we are going to work very diligently to make sure that that becomes a reality.

Just briefly touching — I ask your forgiveness in doing so in a disjointed way, but these questions come fast and furious. Getting back to the farm credit stability program, which the hon. Member for Westlock-Sturgeon raised, he was wondering what a farm family unit was. I think that's as I mentioned to him in the House. I am sorry that the hon. member is such a slow learner, but I will go into greater depth at this time. I mentioned to him in the House that one involved in a married relationship or a common-law relationship and the children under 18 years of age, are considered a farm family unit. In the event that the wife wishes to borrow that \$200,000, she can do so and it will not be available to the husband. So there is no discrimination whatsoever in this program. We want to make sure that it has the broadest possible application.

MR. TAYLOR: How about two bachelors living together?

MR. ELZINGA: The hon. member shouldn't talk about his own life-style.

MR. TAYLOR: I hope you repeat it. I need rumors like that.

MR. ELZINGA: Let me indicate, Mr. Chairman, that I've very much enjoyed the opportunity during the course of our estimates being before the House. I'm hopeful we will have another opportunity, as I know there's a good many members that would like to put questions and share concerns about this very important agricultural sector within our province. It has been a delight to have this opportunity with my associate minister, and I thank the hon. members for sharing with me their concerns and their representations.

I should just mention, as the hon. Member for Cypress-Redcliff raised it, horticultural test plots at Bow Island. Funds are allocated for purchase of additional plot facilities in southern Alberta. However, we're holding off purchasing until we have the complete overview and review of the entire area of agricultural research in Alberta. I share that with him in view of the presence of both the Alberta Horticultural Research Centre at Brooks and the Agriculture Canada Research Station at Lethbridge, serving primarily irrigated agriculture. We are examining it. We will take his representations very seriously, and we thank him for bringing it forward.

MR. YOUNG: Mr. Chairman, I have checked with the associate minister, and she is prepared to hold her responses

to a few remaining questions until the next occasion when the estimates are before the committee.

Accordingly, I would move that the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report and the request for leave to sit again, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. YOUNG: Mr. Speaker, I'd like to indicate to the House that it is proposed tomorrow evening to sit in Committee of Supply and that the estimates for that occasion would be those of Advanced Education, which have already been before the committee on one occasion. Depending upon the speed of the committee's deliberations, the House may rise a little bit earlier on Tuesday evening than today.

[At 10:40 p.m. on motion, the House adjourned to Tuesday at 2:30 p.m.]

