

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 27, 1995

EVENING SITTING

COMMITTEE OF THE WHOLE

Mr. Trew: — Thank you, Mr. Chairman. Asking leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you, Mr. Chairman. This evening it's my great honour and pleasure to introduce a group of the 80th Walsh Acres Scouts seated in the Speaker's gallery. There's 19 Scouts, and they're accompanied by Robert Lindsey, Tim Desrouchers, and Dave Duel. Those are the leaders. I'm looking forward to meeting with them later. They're going to be observing ongoings here, proceedings here for a while, then having a tour of the legislature. And then I get a chance to meet with them and share a glass of Beep, I believe.

While I'm on my feet, I also recognize two friends of mine in the same gallery, Mr. and Mrs. Tom Simmonds, former constituents of mine. I'd like to think that they moved out not because of any disagreement with their MLA (Member of the Legislative Assembly) but for other reasons. But it's really good to see them here.

I ask all colleagues to join me in welcoming the Scouts and the Simmonds.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 23 — An Act to establish The Agri-Food Innovation Fund

Clause 1

Mr. Goohsen: — Thank you, Mr. Chairman. Minister, seeing as how you've got all this great help here tonight and they look like they're up to the challenge of answering some questions, I would like to take this opportunity to research this Bill with you a little bit further.

Could you tell us if this is in fact an ordinary kind of a Crown corporation that you are developing in this Bill, or just exactly what's going on here?

Hon. Mr. Cunningham: — No, this is not a Crown corporation.

Mr. Goohsen: — Well, what is it then . . . (inaudible interjection) . . . Sorry, Minister, I missed your answer. Would you mind repeating that?

Hon. Mr. Cunningham: — This is a fund under a Treasury Board Crown Act. It won't be . . . It won't have any employees;

it won't be a functional Crown corporation. It's strictly a fund where we put money in for research and development and it gets spent out of that fund over a period of years.

Mr. Goohsen: — Well, Minister, that seems rather strange and odd because the first thing I read here is fund establishment, and it says the agri-food innovation fund is established as a corporation.

So if it's a corporation by the government, what other corporations do you have besides Crown corporations?

Hon. Mr. Cunningham: — Well this is formed under those titles. As I said earlier, it won't have employees; it won't be functioning as an organization or as a corporate entity. It will be functioning as a place to hold a fund that will be used for research and development in the province.

Mr. Goohsen: — Well it seems rather strange, Minister, that you are going to form a new corporation that won't have any employees and it isn't probably then going to be able to do much. Have you found a new, innovative way of getting things done without having people?

Hon. Mr. Cunningham: — Well there are many examples of boards and funds that exist without being employees.

Mr. Goohsen: — Well I guess my point is this, Minister — and it may look a little silly the way I brought this on to you but this whole Bill is strangely more than silly; it's absolutely a waste of time. As I see it you don't have any employees that are going to do anything. You're only going to have a bank account. Who do you plan on bleeding the money out of to have this big bank account and what's the object of it having it sitting there like a slush fund if you don't have anybody that's going to administrate it or take care of it, and no employees? It looks to me like we're just wasting the taxpayers' time and the taxpayers' money. Why don't you just do this whole thing under your Department of Agriculture like anybody else would?

Hon. Mr. Cunningham: — The object of this exercise is to have a fund of money that is set aside, that's committed for a specific purpose, in this case for the research and development and the improvement of value added and diversification on farms and off the farms. This allows us to set the money up, to have it there ready to be used for people, to have a board of industry and government that will administer this fund and disburse it as is needed rather than to do it in a yearly budget and have . . . You need some mechanism of disbursing money for a specific purpose, whether that's the department and putting it in each budget annually or whether it's . . . The advantage of this is we're able to take money from us and from the federal government — remember there are two governments involved in this — set the money aside, put it in a fund, and then it's there for a specific purpose. Everybody knows that the money is there. We're able to give some committed funding over a period of time because the money's set aside and it's in the fund.

Mr. Goohsen: — Well now we're getting a thousand questions, Minister, because now we find we've not only got your money

being tied up in a fund that nobody can access because you have no people to administrate it and nobody to decide on how to work this whole process. you've got some federal money that maybe will come as pie out of the sky. So where is this federal money? Is that elusive kind of money like we saw that might possibly be coming for highway projects, that was cancelled last fall, or is this some more GRIP (gross revenue insurance program) money that might have come if you'd have donated but you forgot to and it was lost, or how are you going to get this money and what guarantee have you got that it's going to come? And how much is there?

Hon. Mr. Cunningham: — This money is committed by the federal government, was part of the negotiations we had with the federal government. This is the reason to set up a fund. We have an agreement that . . . the money is not a promise. This is not money that may come in the future; this is money that we have a commitment that will be set aside for this specific purpose.

Mr. Goohsen: — Well I'm glad to hear that it's set aside for a specific purpose and all that but I asked you how much is it and what guarantee we've got that it's going to be there. Show us some of this contract that you've got. And if you've got one, let's have it tabled.

Hon. Mr. Cunningham: — The money from the federal government, as I've said to several of your colleagues in the last go-around of questioning, is \$64 million; 27 million on behalf of the provincial government which gives a total of \$91 million. This is part of an agreement that we had with the federal government, involving all of the safety nets for the province for the number of years.

Mr. Goohsen: — Well that's getting somewhere, Minister. Now, do we have a copy of that agreement?

Hon. Mr. Cunningham: — What we have at this point is a memorandum of understanding with the federal government. An agreement . . . when we pass this Act here and our money then is paid into the fund, and then we sign the final agreement with the federal government, and their money is paid into the fund.

Mr. Goohsen: — Well thank you, Minister. Now we've got a memorandum of agreement. Is this memorandum by any chance on paper, or is this another pie in the sky notion that you got? And if it's on paper, do you think you could table that memorandum for us so we could see what's going on?

Hon. Mr. Cunningham: — The agreement that we have with the federal government has been in place for some time. The member's seen the news releases, the commitment from the federal minister. If we get this Bill passed here, the money is paid into the fund, and the agreement will be finalized. Certainly we can't finalize our side of the agreement to commit to paying money into the fund until this Act is passed in the legislature.

Mr. Goohsen: — Well that's the biggest cop-out I've heard in my entire day here this afternoon, and even from this morning.

Minister, there's only one person I trust less in this whole scheme of things here right now, only one person that I would trust less than you, and that would be the federal minister that you're dealing with. And the Saskatchewan farmers, I think, might even put them in that order but they may even switch that.

The truth of the matter is, you're telling us that we ought to trust you and take your word for it because somebody printed it in a newspaper. Well thank you very much, sir, but I don't believe everything that I read in a newspaper. And I sure as the dickens don't take it as a binding contract, and neither do the farmers of Saskatchewan, and neither do the people in Regina.

So, Minister, if you've got all of these informations and all of these memorandums of agreement, you must have something in writing, something that is concrete. You wouldn't go to the trouble of spending a million dollars worth of taxpayers' money setting up slush funds and new, legislated corporations. Even that's got to cost money just to write the paper. You didn't do all that without having something on paper signed as an agreement from the federal government, saying that you're actually going to get something. Or are you that foolish that you would do that?

Hon. Mr. Cunningham: — Mr. Chairman, we ask the members opposite to pass this Act. The money will be paid into the fund. This, whether the member chooses to trust the federal minister or not, that's his choice. We certainly have an agreement and we certainly fully expect the federal government to live up to their agreement in this case.

Mr. Goohsen: — Well, Minister, once again you go back to saying, we've got an agreement — we've got an agreement. Well if you've got an agreement, table it. Let's see it.

Hon. Mr. Cunningham: — If we pass this Bill and have the money paid into the fund, we can table the final agreement with all the i's crossed . . . i's dotted and the t's crossed.

Mr. Goohsen: — Well, if, if, if. That might be the biggest word in the English language. Now if we're foolish enough to pass a Bill because you say that you've got a promise from somebody that you might have on paper and maybe you don't and maybe you do, and if we dot the i's and cross the t's and let you get away with anything, I suppose you might also then take the money from the federal government and gravel our highways. That might make about as much sense to taking your word that you're going to get an agreement out of the federal government and get money from them.

You've thrown more money back to the federal government than you've ever gotten out of them. You lost all the GRIP money. That's just plain gone. Then you get it back in another agreement. You think maybe that you're going to negotiate some other time and it might be on paper or it might not.

So, Minister, I think you better come clean on this one. You're not a used-car salesman and you're not selling us a bag of goods. We want to see what kind of an agreement you got on paper with the federal government. Where is the money that you

say you're going to get and how much are you going to get for sure? Show it to us in writing today.

Hon. Mr. Cunningham: — Mr. Chairman, I've told the member over and over, we have a commitment from the federal government for \$64 million. We are paying \$27 million. The first step of that is this Act that they now are debating here today. That's what the commitment is; that's where the money is coming from and this is the first step of proceeding to pay that money into the fund. I urge you members to pass the Bill and let the money be paid.

Mr. Goohsen: — Well not quite so quick as that, Minister. Let's talk a little bit about where this slush fund is going to go if we ever do in fact get it.

Now you're talking about research again and diversification. And who's going to decide what kind of research you're going to do with this money? Who is going to decide who will in fact get this money? Do I have to have a party card with the NDP (New Democratic Party), or do you have to then hire somebody to make a decision? You already said you're not going to have any employees; nobody's going to be working for this company, so who is going to be in control of deciding what kind of research is it going to be? If I decide I want to grow hemp, can I get a research fund for that?

(1915)

Hon. Mr. Cunningham: — Well I think had the member read *Hansard* or been in attendance at the last time this Bill went through . . .

The Chair: — The minister should not make note of the presence of members. I encourage him to continue.

Hon. Mr. Cunningham: — We should make reference to attention rather than attendance. What I'm saying is that we have gone through these same questions at least three or four times. But I'm certainly prepared to go through it one more time.

There will be a board of 12 members; if you read the Act, you will see that there is a board of 12 members. This will be partially industry and partially government. This will be a board that will rule on this. We will have sectors. Each of the industry sectors will get together and form a strategy which they will recommend to the board. So there will be input from industry and from both levels of government as to what the criteria are, and the board will make their independent selection of individual projects.

It seems rather strange to me that the members opposite refer to money that's designed for diversification and value added in Saskatchewan as a slush fund. Certainly it's no such thing. This is going to have a very valuable impact on rural Saskatchewan and on the whole economy of Saskatchewan, and this will be one of the tools that we use to lead agriculture into the next century.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Minister,

you pose a lot of interesting possibilities here. But first of all, let me tell you that I have only missed one day in this entire session, and I'll put that against your record or anybody else's.

Now what we need to know, Minister, is some answers that are straight for a change. The reason that we're cross-examining you on this Bill, and questioning you, is because you come out with different answers at different times with different people. So quite honestly, we just don't believe your answers any more, and that's why we're asking you to say them over.

The truth of the matter is that what you're creating here is a job creation program that you're going to tout as being a rural development project — good for rural people, good for farmers — when in reality all you're doing is creating jobs for your NDP pals and friends. And there's going to be precious little of any of this benefit of money actually going to rural people.

Not one thin dime is probably ever going to end up in a farmer's pocket. It'll all be job creation at some university laboratory where you'll have people checking in, collecting wages, and creating schemes on paper where they can shuffle them from one desk to another and pass them on to some other university where they can pile them up on a desk there so that somebody else can have a job transporting them back to Regina to pile on the desk — on the Economic Development minister's desk — and he'll shuffle them into his waste-paper basket and quickly tell somebody to burn the whole mess. And what we're really doing is creating a paper-pusher's job project for the province of Saskatchewan under the guise of helping rural Saskatchewan to diversify. And there's not one commitment any place in all of this that actually says there's going to be any money get into the hands of rural Saskatchewan people.

The truth of the matter is it's a job-creation program that you have devised in order to convince the taxpayers of this province that it would be good to spend their money hiring your buddies and your friends. Now a few minutes ago, you told me you're not going to have anybody working for this corporation — nobody at all. But now you've told me you've got a 12-person board — 12 persons. Well we don't know exactly where they're coming from yet. I'll bet you that I can make a pretty safe wager though, that if they don't have a party card with the NDP they're not going to be on this board. But who's going to pay this board? Are you going to pay them any money or are they going to work for free?

Hon. Mr. Cunningham: — Well they're not going to work for the board; they're going to be the board. Obviously they will probably have expenses and per diems. It's interesting the member opposite doesn't think this fund is a good idea and that it's a waste of money and it's not going to create help in rural Saskatchewan. That's not what we're being told.

We've had the industry, we've had farmers, we've had communities who come to us and say there are a whole lot of good ideas out in rural Saskatchewan. There are a lot of communities who want to do things, who are trying to get projects done. They don't want grants and they don't want government to implement subsidies. What they need is some help with research and development and things like how to

build mechanical harvesters or help training workers, help doing business plans — all those sorts of things that is needed to get that good idea that's out in rural Saskatchewan into production of value added products, or in fact diversification on the farm.

That's what people are telling us, and that's what this fund is aimed to do. It's going to be controlled by industry. Industry has had a huge amount of input into this fund, and that is the direction that it's going.

Mr. Goohsen: — Well, Minister, now we have a 12-person board that is going to collect some wages, and they are going to be paid by somebody. You didn't really commit whether the government's going to pay them yet or not, or if you're going to do that out of the Department of Agriculture, or if this slush fund you're setting up here is actually going to be bled a little bit to pay for them.

Maybe you'd like to straighten this out as to just exactly where this money is going to come from for these people that now suddenly surface that are going to be paid. We had, a few minutes ago, that nobody was working for this corporation. We didn't have any employees but now we do, of course. Now we have a board. They're not employees now, they're a board. So we're playing on words, I guess, today, to try to confuse the taxpayers of the province so that they'll think that they're getting something for nothing, when in fact they're going to pay very, very dearly for not only this corporation but for this fund to be set up, and precious little guarantee if any good can ever come out of this whole process.

Reality, I think, will prove in the long run that what you are attempting to do here is to set up another Crown corporation entity-like process in order to find a job-creation program for your friends who are stamping at your doorstep on a regular basis now, demanding that they be recognized in order to support you in the next election.

So tell us now, Minister, two things we need now. Where did this money that you're going to pay to these people now that do work for you — as a board, of course, so they're not real employees but they are going to get real money, I'm sure . . . are you going to pay them with Monopoly money, or how much are you going to pay them, and where is that money coming out of? Is it coming out of this fund or is it coming out of your department?

Hon. Mr. Cunningham: — Mr. Chairman, we're not trying to confuse anybody and we're certainly, I don't think, confusing the producers or the industry in rural Saskatchewan; we have somehow confused the member opposite. Let me try to make this as simple as I can.

This is a board. They will be paid from the fund, per diems, they will be paid at provincial rates rather than federal rates. I don't know the exact dollar figure — we have criteria for boards. In most cases it's much less than these people would make in other endeavours. It's certainly not employees; they are a board that will meet on a regular basis to decide criteria, and to decide strategies, and to approve projects. And the Act

specifically says that they will not have employees; they will not employ people to work for them.

If you want, as I did to your colleague the last time this was through here . . . they have the power to hire consultants and so on. They may need to have some engineering done or something on a from a time-to-time basis and they have the power to do that. And they have the power to work with other groups, could be commodity groups and so on that have check-off funds that they want to work with this board, so they will have those powers. But certainly it will be administered and function very much like ADF (Agriculture Development Fund) functions on. I'm sure the member opposite is very familiar with that operation.

Mr. Goohsen: — Yes, Minister, we have had some background with ADF.

I want to ask you though, you've gone into this Bill here and you say you're going to support research and development in Saskatchewan agriculture and food industry but then you go on to say that you're going to encourage Saskatchewan farmers and rural residents to create economic opportunities and jobs.

Now how are you going to encourage the farmers in this province and rural residents to create economic opportunities and jobs by researching things in Regina or Saskatoon? What encouragement is there going to be for them to pick up on these programs unless you offer cash incentives? Or is this another one of your used-car deals where you're going to promise them that they'll get benefits because they need to trust you?

Hon. Mr. Cunningham: — Mr. Chairman, again we're having the members opposite having a hard time to get out of the '80s and into the '90s. They pay lip service to diversification and value added in Saskatchewan but when it comes to actually doing it what they're . . . they're tending to go back to the old program where you pay people to grow a bushel of wheat. What we hope to do is to help the new industries that are emerging in Saskatchewan. We have things like horticulture, things like specialized livestock, many other opportunities, food processing.

We're not talking about subsidizing an industry. All we're talking about here is \$91 million to help with the research and the development and to get these industries off the ground. This is what farmers and industry and communities are telling us is needed. We're responding to that need. And certainly \$91 million paid out on a subsidy on a bushel of wheat won't go very far; \$91 million paid out to develop new industries in this province will create jobs and economic opportunity in rural Saskatchewan.

Mr. Goohsen: — Well, Minister, give me an example of what kind of a new industry you might develop that's going to help rural Saskatchewan.

Hon. Mr. Cunningham: — Well certainly there are many examples that I could give that have come from the past. One that you can think of is the lentil crop. Because of the research that was done by Dr. Slinkard at the university, we had a

significant advantage in the world markets because we had better varieties, and that resulted in a huge return to farmers.

There are, as I said, the food processing industry which we view as one that has a huge potential. Specialized livestock has potential. Horticulture has potential. There are potentials for many, many other industries in this province. Some of them are slowly beginning to get off the ground.

Again as I said earlier, there are many ideas out there, and all they need is a little help. And we're going to see . . . and we are seeing examples. A greenhouse opened in Biggar recently. In my riding there's the plant that's making fibre from flax straw that's a test plant that's making up there. Drake Meats is processing meats, 60 employees, 65 employees I think last time I talked to them; Thomson Meats with 60 employees. There are many examples of industries that are emerging; the success of elk farming and many, many others that are emerging and that certainly can do further processing and need to do further processing and need to have help finding international markets and so on.

Mr. Goohsen: — Well thank you, Minister. I guess the key word there is that they are working, not will be working — are working. Already working without this piece of legislation, without this new entity that you're creating to create jobs for your friends.

These things have already been happening. They've been happening quite nicely and they can happen just as well under the present structure as under a new structure. So the old adage — why are you fixing something that isn't broken? — has to come to mind. Why are you creating a new fund to carry \$91 million, when you could carry it in the Department of Agriculture and work it through the existing programs that you already have?

It's a total waste of time and money. That's what this is. Because you can accomplish everything you've talked about simply with the mechanisms you already have in place.

If ADF was such a great thing, why didn't you just keep on doing it? I mean let's face it. All you're doing is making change for change sake so you can stamp your name on the bottom of it instead of having somebody else's there. You're playing politics with people's money. That's what you're doing. You're not creating anything. You're only rubber-stamping an old idea that had a lot of good sense to it many years ago, still has and probably will in the future. We don't need any new entities with your name written on it in order to accomplish what we're doing.

So, Minister, out of all the things that you've talked about . . . and I like lentils. I like lentil soup, too. But you know, I think maybe there's some people in Manitoba that might want to talk to you a little bit about who encouraged the development of this crop and who actually kicked it off.

I think there's a few other people around the world that might say the credit maybe doesn't all go to Saskatchewan. Maybe it was already there. All we had to do was find a market and

encourage people to do it, and that was done.

So, Minister, if you have no specific direction for a fund, no specific ideas where you're going to spend the money, just a pot full of money that you're going to collect together, couldn't you just as easily have stored that money in the Department of Agriculture or even in — as you guys like to put it . . . the CIC (Crown Investments Corporation of Saskatchewan), the mother of all Crown corporations, has a great big bank account. Couldn't you have just held that money in one of those bank accounts and done the very same things that you're trying to do here?

(1930)

Hon. Mr. Cunningham: — Number one, the federal government would be unlikely to pay money into the provincial Department of Agriculture. Number two, this is for a specific purpose.

And the member opposite can say that we don't need research and development, we don't need this fund, there isn't a need there. Producers and industry have told us that there is a need. Producers and industry want to see that money committed into the fund so that they know what's there. We get this from the research community over and over and over again — don't appropriate money to us each year because we can't plan ahead unless we know where we're going. We need some money that's committed to funding so that we can plan and do research over a period of five years or whatever period it takes. And that's the reason for setting this fund up.

Mr. Goohsen: — Well thank you, Minister. Now you pose another interesting question for me. You say that you are doing this as a result of requests from people already working in the areas of diversification, different special interest groups. And you alluded earlier to people in the check-off areas. And true enough, these people do spend money and they do handle money to go into research projects and to study marketing programs and find out how to make the world work better for them.

These organizations are all sort of there already, aren't they? Now I happen to know that the canola growers have an association. I think the flax growers have got an association. The barley growers have got an association. The Aberdeen Angus people have got an association. The Hereford people have got an association. We've got all kinds of people out there who are doing marketing and developing and processing kinds of research, and building funds, and working at it.

And my question is simply this, Minister. If you aren't trusted enough by the federal government to have them give you money — and I don't really blame them for not trusting you — then does the argument not hold some validity that you would be better off to orchestrate having that money go to these independent groups and have them allocate the monies to research and let them handle the program? Why are you in the middle of it at all?

Hon. Mr. Cunningham: — There are a couple of reasons for

that. One is this is targeted at emerging sectors and they don't necessarily have the organization and the structures that some of the more established commodity groups and so on do. But secondly, this has been supported by producers. We haven't had any complaints from any producer groups.

This will be coordinated by the industry. It will be a strategy developed by an industry. Certainly I think it makes more sense to develop the strategy in conjunction with all the industry working together than it is to piecemeal money into the Angus breeders and the Hereford breeders and the Simmental breeders and hope that they don't do overlap and so on.

So this is much as the ADF fund works — a central organization where strategies will be developed by each of the industry sectors, and this again is going to be targeted to new and emerging industries and they will have input into it. They will have recommendations for strategies to the board, and the board will be able to make their individual allocations to fit in with the overall strategies for development in the province.

Mr. Neudorf: — Thank you very much, Mr. Chairman. I would like to pose a few considerations for the minister as well this evening.

And pursuant to my colleague's questions, I think one thing should be pointed out very, very clearly to everyone that may be listening and to the minister himself, that I think it would go without comment that we, in spite of what your interpretation has been, Mr. Minister, do support the intent of this Bill — and I repeat that we do support the intent of this Bill — but we have a lot of serious reservations about how this Bill is ostensibly going to be administered, how it's going to be set up, and a lot of questions like that, Mr. Minister.

Now the one thing that I would take particular exception to at the outset is your dismissal offhand at the request of my colleague to table what you call your memorandum of understanding that you have with the federal government. That boggles my mind how you can be talking about an \$18 million injection of provincial taxpayers' money into this project, and then you add all the federal money into it, and you come up with a grand total, according to your words, of 91 millions of dollars of taxpayers' money.

And what you're asking us to do now, as an opposition, and you said this essentially — trust us. Trust us and once we have passed . . . once we have given speedy passage to this legislation, then in your wisdom you may show us the memorandum of understanding. Now I think you're getting the cart before the horse, Mr. Minister. First of all, illustrate to us that this is indeed a worthy cause for us to spend 91 millions of dollars of taxpayers' money. Now I think that is only a fair request on my part, Mr. Minister. We're not talking here about great trade secrets. We're not talking here about business that might be jeopardized if some of this information is given out to the public.

So quite seriously I would just ask you . . . you say you have a memorandum of understanding, that it's been signed, so it's documented. Everything is there for us to see. And that's exactly

what we would like, Mr. Minister. Give us a peek at that, will you?

Hon. Mr. Cunningham: — Certainly we may well be able to table that. I would have to clear that with the federal counterparts as to whether or not they would be prepared to have that released as a public document. Certainly it does exist. We do have the memorandum, and the understanding is there. The NISA (net income stabilization account) parts of the program are already kicked in. The sector program is kicked in. So part of that memorandum is this research and development money. And we will have the final, formal agreement signed after we have this Bill passed and passed through their processes. And certainly that will be public.

Mr. Neudorf: — Well, Mr. Minister, you're saying that some of this is public knowledge already, and now you're asking us to agree to something that we don't know what we're agreeing to. Are you suggesting that I'm being unreasonable by pursuing this request, that you give us an idea of that memorandum of understanding? And if we like what we see, then it's a done deal, because as I've already indicated to you, we do agree with the intent of the Bill. We just don't agree on how you're trying to get this through and how it's going to be administered. Those are the areas where we have concerns.

So what portion of this memorandum of understanding would you be prepared to table at this time?

Hon. Mr. Cunningham: — Well I obviously don't have that here. And it's well without the scope . . . outside the scope of what we're working with here tonight. What you're approving here tonight is the Bill which sets out the administration of the fund, sets out the \$18 million that's going to be paid into it. That's the scope of what we're dealing with here tonight.

If there are papers and memorandums of understanding with the federal government dealing with the whole safety net, that also deal with this, I don't obviously have those with me tonight, and I don't want to commit to table something that I'm only half a part of and have to deal with federal counterparts. But certainly we don't have any secrets. This agreement has been negotiated and is public knowledge. And so if we can table the portion of that and all of . . . If we can table that agreement with the consent of the federal government, I would be prepared to do that.

Mr. Neudorf: — What time frame, Mr. Minister, are we looking at?

Hon. Mr. Cunningham: — If I can find those documents tonight and check with our people that . . . we obviously can't check with the federal government probably at this hour of night, but if it's possible we could table those as soon as I can locate them.

Mr. Neudorf: — Well, Mr. Minister, I think we're getting somewhere here, and I certainly . . . if you feel that you have to have a commendation from the federal government before you take that step, I can appreciate why you would not be able to do that tonight. But I would encourage you very strongly, Mr.

Minister, that you, as the Saskatchewan Minister of Agriculture, together with Ralph Goodale, who comes from the Regina area, as the federal Minister of Agriculture, surely would see fit to give us the information that is necessary so that we can have a degree of comfort as to where these taxpayers' dollars are going to be spent and the potential.

Now my colleagues have already been asking a lot of questions about that, and although some of our concerns are being answered, there are more concerns being raised as you answer.

And you know, the fact that you're putting in \$18 million and some extra funding and the federal government is topping it off to \$91 million, Mr. Minister, I got the impression that from some of your comments during the course of the evening that you were chastizing my colleagues for having the audacity of questioning you about your intent, questioning your motives. And you were on the verge of accusing us of holding up R&D, research and development, in this province because we were not giving speedy passage to this legislation.

Now, Mr. Minister, you and your government are in no position to chastize anyone in this province when it comes to agriculture. This \$18 million that you're talking about is almost a drop in the bucket, a drop in the bucket compared to what you have cost the Saskatchewan farmer. When you start talking about the \$189 million lost in the GRIP program that you gave to the feds, that, Mr. Minister, is much, in my opinion, more serious for the moment than any \$18 million that you're prepared to put into R&D.

And again we support that. We support that idea of R&D. I think it's an integral part of the process of diversification in this province and putting the province back on a sound footing, on a competitive footing with the rest of the world. If we don't keep up with our innovative processes, obviously we're going to start falling behind. It's a very competitive world out there, Mr. Minister, and we recognize that fact.

So I'm glad with the progress that we've made here over the last few moments, and I will certainly hold you to the commitments that you have made.

Now going on to something specific and something that people have been asking me about — because they know I'm in the hog industry so they come up and say, well what do you think of this and what do you think of that — how do you perceive . . . And I know what your stock answer is probably going to be. Well there's a 12-member board and they're going to be making decisions like this. But certainly you had a vision; you had a vision as to how this will work in reality and practicality in its implementation. How do you envisage this \$18 million being spent?

Who do you envisage getting it? Who do you envisage as being eligible for it? What kind of projects in particular? And specifically, let's put this into the context of the hog industry. Now I know that your government has been very fond, in the last number of years, and in fact, I believe, so were we, of investing money, let's say, into the NPD (National Pig Development (Canada) Co. Ltd.), northern pig development,

and that was high tech. The member from Swift Current at the time was the gentleman that gave me the answer to my questions then.

What kind of barns, for example, would be eligible to receive some of this money? How do you see that in that particular industry?

(1945)

Hon. Mr. Cunningham: — Again, the focus of this will be on projects that benefit whole industries. Again, the priority will be the new and emerging sectors, so hogs may or may not fit in that category again. It would depend on board decisions.

But I would see certainly something that would . . . somebody who was trying to develop a new product from processed pork that would fit into an Asian market — that sort of thing would be eligible. If there's new technology on hog barns, aeration systems or whatever that would be beneficial to the industry — I would see something like that being a possibility.

I would see, and again, as you've asked for my opinion, this is not a commitment because the board will make those decisions, but the sorts of . . . maybe some research into locations for barns around the province to help with some of the problems that we're having with the locations and acreages and that sort of thing, some help with finding sites in areas that are suitable for hogs and all of those areas, rather than being . . . I don't see it as grants to individual hog farmers, so much a hog to grow hogs. This is a development fund and it would be targeted to those sorts of things.

Mr. Neudorf: — Let's not forget, Mr. Minister, that without hogs there's no need for a development fund. So a strong, vibrant industry certainly depends upon that.

How do you envisage some of the packing companies fitting into this? Like in Moose Jaw, for example, or Intercon in Saskatoon, or some of the businesses in Yorkton and Melfort or in Battleford, for example. How do you envisage these companies? You said that individual producers are more or less out, is the impression that I'm getting from you.

So what are we looking at? Are we looking at companies? Are we looking at corporations? What do you see there?

Hon. Mr. Cunningham: — Well I don't want to give the impression that individuals are out. Individuals that want to do a particular sort of research for a new operation, or a business plan for some sort of new operation or that sort of thing, would be in.

I expect to see a lot of small and community-based companies being involved in this fund. Somebody like a Drake Meats that wants to develop a new pork sausage and needs some help with labelling and that sort of thing, that would certainly fit the bill, would certainly be what this fund is intended for.

So I don't . . . again it's not going to be going to grants to big packing plants. It will be something that benefits the industry

overall and creates a market for both the processed product and in turn the farmer's product.

Mr. Neudorf: — Mr. Minister, how do you see the PSC working into this strategy of yours — the Prairie Swine Centre? You know how that operates, you know who funds it. What potential is there with this fund working in conjunction with PSC?

Hon. Mr. Cunningham: — It certainly has a large potential, that would be the sort of area that would certainly apply. Again I caution that this is targeted at emerging sectors and we've sort of listed five or six sectors that we think are priorities. But it doesn't exclude more established sectors like the hogs or cattle. And the Prairie Swine Centre doing research on feeding of hogs or diseases in hogs or that sort of thing would certainly be eligible for the fund.

Mr. Martens: — Thank you, Mr. Chairman. Mr. Minister, I see that we could be talking some money here going into research in developing products probably, or research into some of the developments that take place in research stations. Will they be eligible for these kind of funds in the future?

Hon. Mr. Cunningham: — Well we have a commitment from the federal government that they won't use this fund to replace existing research. If some research station was prepared to do a project to research varieties of saskatoon berries that would be suitable for Saskatchewan, and it's in addition to funding that they're already doing and projects they're already doing, it could quite well be eligible for this sort of fund.

Mr. Martens: — What I hear happening in the research stations that I'm familiar with and the personnel who I'm very familiar with, there's a reduction in volume of funding for the regular kinds of things in research in these research stations. And you could think about now, the time when we probably need more research into grasses and different kinds of high volume production in things like a combination of peas and oats and forages and silage and all that kind of stuff, we should have more of that today than we had yesterday, and the federal government is cutting back on those programs, and particular on the research side of the grazing and the grass and the things that are available to livestock to use in a regular way.

And are you going to make certain that they're not going to put this money into there, because I know that they've been cutting back in those areas, and they're frustrated with the fact that the federal government is doing it. And from your observation you said that they weren't going to do that; you weren't going to put that in there. What kind of a plan do you have to avoid putting it in there if that's what they're going to be asking for?

Hon. Mr. Cunningham: — Well certainly the member makes excellent points that the federal government in their ag strategy, and in all their communication to us, was that there were going to be cuts in agriculture and that there had to be some cuts they felt but that research and development was not the place to cut, and that would be protected and looked after. And that obviously is not the case. They're cutting research and development across the country.

You certainly make a good point in the cattle industry. It's one of my personal beliefs that the cattle industry is in for some significant change, particularly up in my area where we haven't had a lot of experience with grazing and foraging and some new and exciting things happening that increase the productivity of the land. It's going to be, with the Crow gone, even more important in the future.

And I guess if the federal government cuts their research funding across the country and they cut us sort of equally with everybody else, we'll fight that, and we'll be put under some pressure to back-fill. I guess the question then will come up to the board as to whether or not those are priority areas.

What we have from them is a commitment that they're not going to use the fact that they've got this fund in Saskatchewan as a means to take back research funding from us. And since we had assumed that research was going to be protected across the country, we felt quite safe. Obviously research is not safe across the country. They're cutting it right across. I mean we're going to fight that. If, and as the member says, it seems to be happening, then I think we will have some tough decisions.

And \$91 million isn't going to be enough to do all the research and development and the projects that we'd like to see done to begin with, and we are wanting to target the emerging sectors. But if there's dramatic withdrawal of federal funding, we will have to make tough decisions, or the board I guess will have to make those decisions at the time.

Mr. Martens: — There are, in my view, some very significant changes being made federally in research, and that really bothers me because there have been fundamental changes made by the things that the research stations have done in this province, and the value that they have been to agriculture is phenomenal.

I just use one example, is Rescue wheat. It was developed in Swift Current and in Saskatchewan and you have a whole lot of these that are just some of the . . . they were some of the fundamental changes. And if I go to your part of the world, the canola is just as significant as that is. And if I take a look at the research station in Swift Current and look at the grasses that they've developed, one of the major researchers, a guy by the name of Mark Kilcher, a phenomenal record with a master's degree in science, did huge amounts of research and value to the whole agriculture industry.

And I know they're cutting those back. And to me it looks like this money is there to replace it and that's what I see a part of it. What in the agreement is there for you to get your teeth into so that . . . you say it's not going to happen, but then on the other hand, through the back door, they go and do it. Is there anything that you have recourse to, to say, well you are the ones that cut back? Is there any way that you can say without fear of having more cut-backs in agriculture in Saskatchewan . . . a way to stop that from happening?

Hon. Mr. Cunningham: — Again, we have the commitment that they won't reduce research and use this money to back-fill.

I guess we don't have the agreement that they won't cut research across the country. The only advantage, I guess, that we have is at least in this province we will have this fund to continue with some research. But as I mentioned earlier in the House, studies will show that money spent on agricultural research returns anywhere from 50 to 100 times its value to the economy. So again, this is not a wise decision by the federal government to be cutting research if indeed they continue to do that.

Mr. Martens: — What I'm afraid of, Mr. Minister, is that they will see that they put 64 million, I believe, from their side, and they'll say, well that's enough for Saskatchewan; that's sufficient; that will do. In my opinion, that's going to cause a serious problem. And I can see them cutting that back. In fact different individuals have told me that they're going to have to deal with the staffing component, cut back the staffing component rather vigorously, in order to meet the cut-backs in the research station in Swift Current, for example. They're going to have to have massive cut-backs in people working in order to meet the budget requirements. And my view is that you don't have any way of stopping them. Is that correct?

Hon. Mr. Cunningham: — Well certainly we don't have any evidence that they're cutting back research more in Saskatchewan than elsewhere. They closed seven research stations in the last budget, only one of which was in Saskatchewan, which was Regina, which had essentially been inoperative for some time. Again that is not a wise decision by the federal government to cut research, although . . . and again, they've cut their agricultural spending dramatically, and they seem to be on the path of Australia and New Zealand where they're going to totally reduce agricultural spending.

We've done the best we can with the safety net. We've protected our safety net for two to three years which will insulate us from those cuts. We have this ag innovation fund which is going to see some increase in development dollars here. But if they continue to cut research and cut the ag budget across the country, that is going to be difficult for farmers right across this country.

Mr. Martens: — There's another thing that I find interesting here, is that it's going to encourage Saskatchewan farmers and rural residents to create economic opportunities and jobs. Is this just in the research side or is this promotional stuff or . . . Just tell me what you have that in there for and what you have in mind.

(2000)

Hon. Mr. Cunningham: — We see this resulting in jobs on the farm, in that some of the new areas will be fairly labour intensive — or even opportunities for new family farms in the specialized livestock industry, horticulture, greenhouses. Plus we see jobs in value added industry, and that, I think, is the key to rural Saskatchewan and we're seeing some successes now. The greenhouse in Biggar will employ 50 to 60 people. Drake Meats employs 60 people — or 65 people. Thomson Meats employs 60 people. The flax plant in Canora, if it goes to a full scale, will employ people. Dehy plants employ people. And those are the areas that provide markets for local farmers, helps

keep farmers on the land, and also creates jobs in communities which are badly needed right now.

So there will be some created in the research side. If PAMI (Prairie Agricultural Machinery Institute) in Humboldt gets a number of contracts to do research into some agriculture things, they will probably hire a few engineers. But primarily we're hoping that it creates jobs on the farm and primarily in some of the small, value added industries that will be hopefully located in rural Saskatchewan.

Mr. Martens: — A lot of times the development of these opportunities is done on a small scale. And are you going to make them so that you can do these research things and economic development things so that the ordinary farm can get to use them? If you want to talk about 25 acres of strawberries, or 75 acres of potatoes, or 25 acres of onions, that has its own value; but at some point in time you have to think these things through a little bit more.

For example, potatoes in the Riverhurst area. Is there some opportunity to develop the things needed to make those things work so that they can supply these seed potatoes to the people in Idaho? Is that . . . I guess from two things. One is the implement development things, like PAMI could do; and the second thing would be the marketing of those. Is there going to be something developed so that . . . I could use other examples. In the jam business, is there going to be opportunities made available to these people, when they get these blueberries, to put them into jars so that they have market opportunities?

And it isn't only just developing the system to make them work, it's getting them to the corner store so that everybody reads the label and understands that that's from Saskatchewan or that we even make it in Saskatchewan. Another one is choke-cherry juice. I think it's made out at Eston. And most people don't understand — or Eatonia — and most people don't know that it exists. And that's a part of the problem. Is there going to be opportunity to develop these markets through money from this fund?

Hon. Mr. Cunningham: — Yes, those are excellent examples.

Seed potatoes, as the member may know, research has shown that seed potatoes grown in Saskatchewan, and Alberta have what they call northern vigour and have an up to 20 to 30 per cent yield advantage in Idaho over locally grown seed potatoes — an excellent market opportunity.

There will be, as you mentioned, machinery — all kinds of things that will be needed for that industry. A possible starch processing plant or something to deal with the number 2 potatoes and the waste ones is an opportunity. And so all of those would take research and business plans and that sort of thing.

The berries one is another one that's an excellent example. In the food processing side, one of the things that we see — although again leaving the decision to the board — is some sort of what we would call a food incubation centre. So there would be some place where if you wanted to process those

choke-cherries and put them in a jar, that you had the idea, there might be some help with how to design the label so that . . . how to design the jars, maybe some test scale equipment around that we could use to make enough of a product to test it in some markets and get it out and see if it moves.

And from there then, once that ground work is done, generally there's a lot of private interest and private capital that's around that's prepared to take that when they've got some proof that it will likely work and go ahead and develop a processing plant, or it could even be right on the farm where somebody's doing the jam.

But those small-scale industries often don't have the capital to expend in the test marketing and the research, and those relatively small pieces of capital that are required but are at a very high risk for lenders or anybody else or even for the proponents to want to invest their own capital or borrow if they're a community group or whatever. So certainly those are the kind of examples that we see this fund helping.

Mr. Martens: — One of the other things that has been of some concern to me is that some of the regulations relating to these industries curtail their development.

Just use one as an example. There's a Schmidt family at Fox Valley or in through there some place, maybe it's Mendham. They have a milling machine to mill wheat. And they do it kind of as a specialty kind of a milling because they're Seventh-day Adventists and they have a market all over the world. But they can't exercise that market unless they grow their own grain because of restrictions on regulations from export and all of the things related to that.

Will the board have the freedom to take a look at some of those things as well, in developing the markets and helping people through the regulations that exist in other places?

Hon. Mr. Cunningham: — Yes I would think that that would be within the mandate of the board. And that certainly is one of the difficulties of many of the smaller operations — is to find out what those regulations are and comply with them. Certainly the meat industry and so on, they need inspection and quality controls and so on. So yes, I think that would certainly be within the mandate of the board.

Mr. Martens: — There's a part in here that talks about having a cooperative measure of relationship with organizations and persons having objects and purposes similar to those of the fund.

That can be a very broad statement but it can be a very narrow one. If the board is narrow in its focus to start with, and it has very limited sensitivity to all of the people in Saskatchewan who could belong to these organizations, you could have a very narrow perspective of this. And that's one of the things that has concerned us about how this board is to relate to everybody.

Is there a way that you've set this up so that you can accommodate some of that diversity in these organizations, even in philosophy? Like you'll have . . . the horned cattle trust

fund will operate differently than the canola people will. You have a variety of philosophies in these groups of people or you have another difference in the dairy producers and the feather industry versus some of the grain organizations. Is there going to be latitude for some of these philosophies to exist in that board organization?

Hon. Mr. Cunningham: — Well certainly we hope so. We're building in as much flexibility to the board as we can. I believe we were having pretty good success by trying to get industry to work together to look at all of the industry and all of the sector together.

We have, in six of the key areas that we see as new and emerging industries, we have sector committees of the department plus industry. And they're talking to the commodity groups and the processors and the further processors and all those sectors to try to develop strategies. And our hope is that the industry will come to the board with their recommendation of a strategy that develops the whole industry. And we're finding a great deal of cooperation amongst industry participants and even amongst farm groups. Certainly there are philosophical differences and operating differences, but we're finding that people are willing to set those aside and work on real solutions to the problems in rural Saskatchewan.

Mr. Swenson: — Thank you, Mr. Chairman. A couple of things, Mr. Minister, before we perhaps get to the clause-by-clause stuff. And I touched on this the other day when we were discussing employees and you had some . . . why do you have a notwithstanding The Crown Corporation Act when you refer to the issue of employees? Why is that notwithstanding clause in there?

Hon. Mr. Cunningham: — My understanding is The Crown Corporation Act empowers Crown corporations to hire employees, and we're saying, notwithstanding that, this fund will not be able to hire employees.

Mr. Swenson: — But I distinctly heard you tell the member from Maple Creek that this wasn't a Crown corporation; that it wasn't now, never would be, a Crown corporation. Why in the world would you be using The Crown Corporation Act to try and assure us that this thing won't hire employees? I mean couldn't you have used the general government Act or there's lots of different pieces of legislation when it comes to . . . or just said the fund will not hire employees, period. Why have you got The Crown Corporations Act in there?

Hon. Mr. Cunningham: — Well we used The Crown Corporation Act because that seemed to be the best method to set this up to make it do what we wanted, which was set aside that money, have it there in a fund, have a board be able to, empowered to, control it. We didn't want a Crown corporation in the sense of SaskTel or SaskPower but we thought that The Crown Corporation Act worked quite well and I think it does.

We've put in the clause that it can't hire employees to make it clear that it's not going to become a SaskPower or some ongoing body; that this is a fund, an entity, that's set up to deal with the fund. And The Crown Corporation Act seemed to be a

convenient way to set this up.

Mr. Swenson: — Mr. Minister, to change that would you have to come back before the House or can you do that by order in council to amend that clause as far as the use of The Crown Corporation Act?

Hon. Mr. Cunningham: — No. We would have to come back to the legislature. It's an Act of the legislature. It's specifically stated in there and the only way to change it would be by amending this Act.

Mr. Swenson: — Because all the way through the Act, Minister, in section after section, LG in C (Lieutenant Governor in Council) fixes all sorts of rates of remuneration and other things. Well you're telling me that LG in C could not decide to hire employees, that The Crown Corporation Act, the way you have it set up, specifically prohibits the board from hiring employees?

Hon. Mr. Cunningham: — Yes, that's what the clause says.

Mr. Swenson: — Okay. We'll leave that for a moment.

You were telling the member from Rosthern that you thought that it would be possible to provide the outline of the MOU (memorandum of understanding) — at least the basic understanding that you have with the federal minister — and you were going to undertake to do that. Is that correct?

Hon. Mr. Cunningham: — Yes, that's correct.

Mr. Swenson: — I think, minister, it would probably be prudent for then for the committee to . . . You suggest that we rise and report progress and that you bring that before us rather than us taking up the time of the House here, because I got the distinct feeling from my colleagues that we will not be comfortable with this Act until you're producing the outline of the agreement that you have with the federal government.

Now you and I can stand here and make debating points for the next however long you wish, but if you're going to provide that particular information, we'd like to have a look at it and then perhaps we can get on with moving through this Bill, clause by clause.

(2015)

Hon. Mr. Cunningham: — Again, that outline of the agreement is public knowledge; it's been in press releases. And you have that right now. My understanding is that the federal Minister of Agriculture is in South America somewhere, and I said earlier I certainly wouldn't release any joint papers without the consent of the federal minister.

Mr. Swenson: — Well I appreciate that, Minister, and all we've asked is that you consult with them. I mean if . . . I don't think it would be any skin off your nose, either morally or politically, if you came back to the House and said that Ralph Goodale once again would not be cooperative with the province of Saskatchewan. Maybe I'm giving you an opportunity to beat up on the Grits some more.

So what we're saying is why don't you ask; see what you can provide. If we can have a look at the agreement, maybe we'll be more comfortable with it, and then we can get on with things. We are probably going to propose some amendments to the legislation to make it more user-friendly, and I think if you would provide that MOU to us or at least some of it or at least ask the question, we would be more comfortable with this agreement.

Hon. Mr. Cunningham: — Well I committed to attempting to release the information because the member asked for it, and again, as I said, with federal compliance I have no problem with releasing that MOU. However it has little or no bearing on the matter before the House which is this particular Bill which is the provincial Bill that allows \$18 million to be paid into the fund.

So I don't see the relevance, although if the members ask for information, I'm always willing to oblige wherever possible. But I don't see that it has any particular relevance to this particular Act, and if the members have amendments to the Act, propose them and we'll get on with it.

Mr. Swenson: — Well, Minister, there is a relevance. You cut a deal with Ralph Goodale and the Liberals last year to dispose of the surplus in the GRIP account, the farmers of Saskatchewan's money, over \$600 million. When all is said and done, you made a deal with him on future safety nets and a whole bunch of stuff to go with it. That's why we want to see what is going on. That's the relevance.

You let them walk out of this province with \$317 million. When you let them walk away with it, you said we're getting X, X, X, X. They are putting in this, this, this, and this. And one of the things they're putting in is a bunch of money into this program. At least that's what you told me the other night, \$60 million . . . \$61 million that they're going to put in as part of this trade-off that you made on our behalf. That's why it's relevant. And that's why the MOU is relevant. And that's why every farmer in the province wants to see what it is.

Are you telling me that Ralph Goodale isn't going to take this before the Standing Committee on Agriculture in the House of Commons at some point in time? We want to see what is part and parcel of the agreement because that was our money that you allowed them to walk out of this province with — plain and simple. That's why it's our responsibility to see it. If you don't think that's relevant, that's fine. And we can stand here tonight for the next two hours and we can talk about that issue.

All I'm saying is I think if we had a look at it, we might feel more comfortable with the bargain that you've cut on our behalf — that's all we're asking for — and that farmers out there might feel more comfortable with the bargain that you cut.

Hon. Mr. Cunningham: — Well the bargain that we cut is well known. As I say, the NISA is in effect, the sector program is in effect, and this is in effect. And we'll have . . . We are carrying out the first step. Our money goes in, \$18 million immediately that the Bill is passed. Another \$9 million is in our

budget for next year. The federal government has a commitment to put \$64 million into the fund; and this Act is dealing with provincial money. And if you have specific questions of the federal government, should ask them about what their budgeting process is. But tonight we're dealing with provincial legislation. We're dealing with a Bill that puts \$18 million into the ag innovation fund.

Mr. Swenson: — Minister, I don't have Ralph Goodale sitting across from me explaining, and I might like to. That might be just wonderful, but I don't have him. I got you. And you signed an agreement with him on behalf of me and every other farmer in the province of Saskatchewan, every taxpayer in the province of Saskatchewan, involving millions and millions of dollars.

And you traded my money and other farmers' money in this province for a package that you say is better. I remember back in 1992 when the member from Rosetown — the Agriculture minister at the time — was busy breaking the contracts of 60,000 farmers in this province and taking away the protection that they thought they had. When that member from Rosetown was on his feet, we told him that down the road, two or three years from now, that's exactly what was going to happen — that that money was gone and gone forever and the protection along with it. And he denied up and down. He said what we're replacing this with is a better system, more protection. And we'll go to the federal government, and we'll come up with a package that'll be far better than anything you ever thought of.

Well the package includes this particular piece of legislation. The MOU includes this amount of money. Now three years down the road from when the member from Rosetown took away the contracts of the province of Saskatchewan farmers, we're at the end result right now.

And I think it's only fair that because we can't get at Mr. Goodale that the other partner, who is you, sir, provide us with the outline of the MOU so that we can understand exactly what the parameters of this are, what the federal government's commitments are, what your commitments are, and that we don't have some kind of a fund set up here that isn't going to do what you state it's going to do.

And if we are naturally suspicious, I think every farmer in this province would back us up because I can walk through the last three years about what you said you were going to do in agriculture, and it hasn't materialized. The only thing that's materialized is the market-place has got a heck of a lot better, no thanks to you. Farmers have changed the way that they farm, no thanks to you. The North American Free Trade Agreement and other things have changed the way that all of us have to operate, no thanks to you. And the reality, in spite of you, the reality is that agriculture is changing. But there isn't one thing that you or I can put our finger on that says that you have come through the way that the member from Riversdale promised in 1991 when I attended those rallies.

So if there's a natural suspicion there about what happened and where the money went and how it's coming back, excuse me, Minister, but it's there. And I think you have a responsibility to provide to us that framework so that we understand exactly

where you're taking us, because we're going into an election campaign. And if the promises in agriculture are anything like what we heard in 1991, every farmer in this province better be darned suspicious of what your motives are. So that's why we need to see it.

Hon. Mr. Cunningham: — Well, Mr. Chairman, the member opposite can go back in history to '91 GRIP all he wants. The fact is that some of the credit, and certainly most of the credit, belongs to the farmers of this province for the adaptation that they made.

Certainly part of it was because of what we did. The changes to '91 GRIP meant that the farmers got more out of the market-place and less out of government. And I know the member opposite doesn't like that, but it certainly did; 1994 — \$924 million, which is the highest net farm income in a long, long time, did much better in diversification than did the neighbouring provinces who were stuck with the outdated GRIP program. But the member opposite can go back to '91 GRIP and run your election on . . . you run your election campaign on taking people back to '91 GRIP, if that's the route that you want to take.

The member says he doesn't trust the government. We are here with an Act of the legislature that puts \$18 million into a fund by legislation, and the member says, well we shouldn't pass this because you might change your mind. I don't know what the reasoning there is.

Mr. Swenson: — Minister, it wasn't I or any of my colleagues or anybody on this side of the House that had to use the notwithstanding clause in that Bill over and over and over again. What was the phrase . . .

An Hon. Member: — Whereas.

Mr. Swenson: — Whereases, so that you could hide from the court. And after all this time, there are still farmers out there that want to take your backside off to the Supreme Court. You know that, Minister?

You had to use enough whereases that you could hide in this Legislative Assembly from honest taxpayers of this province because they wanted to take you to court and you were afraid to face them. So what it says to me, a government that's afraid to face its peers in the courts of law of our province is a government that needs questions asked about it. Otherwise you would have said, fine, let's go to court; let's see who's right. But you're afraid, even to this day, three years later you are afraid to face the farmers of this province in the courtroom. So don't give me any speeches about what you've done for agriculture. Don't give me a speech at all.

The market-place in Saskatchewan is the same as the market-place in Alberta. You had the audacity to just stand up here and say the farmers in Alberta and Manitoba got less out of the market? Give me a break. The market's the same as it is here and the last time I drove through Alberta I saw little more diversification than I did in this province. We're getting there because the farmers of this province have learned not to trust

government, primarily because of what you did to them three years ago. Yes, they're diversifying but it's got nothing to do with you, sir, or your government and everything to do with the reality of the market-place.

And any Minister of Agriculture who would stand in this House and say that farmers in this province did better because the market-place was working here and it wasn't working in Alberta, last time I checked the price of cows was the same in Alberta as it was here. The price of grain was the same. It had nothing to do with you or your policies. So they got more money out of the market and they got GRIP on top of it. You know, I just don't understand the thinking.

But anyway, Minister, let's get back to the topic at hand. You are coming forward with a Bill to set up a fund to diversify agriculture in the province of Saskatchewan. This agreement is an outgrowth of an agreement with the federal government to provide funding in a number of areas that you say will enhance agriculture.

My colleague earlier asked you about the MOU, and from what I saw on television you said that that would be a distinct possibility but you'd have to check with the federal minister and his officials, and I say, fine. Now you seem to be saying, well I might not be able to do that, and I don't understand that. If the federal minister's going to have to take this agreement through the Standing Committee of Agriculture which is, I understand, the federal process, why in the world would you not want this Legislative Assembly to understand what you've signed in a broader context for agriculture? And if this is part and parcel of it, it'll give us a better understanding of what you're trying to achieve with millions of dollars of taxpayers' money. That's all we ask. We want to have a look at the game plan here and see how this fits in with the rest of it and not just read some press release that was printed up by some hack in the NDP government.

So can you give it another shot about what you think you can do to show us the bigger picture, the MOU, and maybe we can move on to other things.

Hon. Mr. Cunningham: — Again I don't have anything that I wouldn't release. I have to talk to the federal minister. We have letters, agreements of understanding, and we have an agreement, much of which has already been implemented. As I say, the NISA forms are out; that has been implemented. The sector program has been implemented. This is being implemented as we speak with the Act from our part here.

This is, as I said . . . the structure is there. The commitment is there, and what we're debating here tonight is \$18 million into the ag innovation fund.

(2030)

Mr. Swenson: — Minister, I appreciate what you have to do. I really do. No one wants you to break confidence with the federal Minister of Agriculture. If it's going to benefit this province and that you're going to be able to get out of the federal Liberal government sums of money which are going to help agriculture, we don't want you to get in trouble by doing

that.

But we're also very concerned about the direction. I mean this is probably one of the first concrete things that you've actually done as ag minister since breaking the GRIP contracts. If it's used properly . . . there's been very little agricultural legislation that put money back into instead of taking money out of it over the last three years.

So before we get into that we really want to understand the bigger picture. And whether you agreed with the former program or not, a lot of people spent a lot of time trying to explain that thing to a lot of farmers and not simply bring it into this Legislative Assembly and taking it away.

Now we've got a Bill before us that you're targeting a sum of money over the next four years to diversifying agricultural entities in this province which are in bad need of it because of all the changes that are taking place.

So given that and our desire to show the framework, and your desire I think to show it to us, and the fact that you have to do some consulting to get that done, then I think it's only appropriate at this point in time, Mr. Chairman, that I move we report progress and wait for the minister to bring on the Bill . . . or bring on the MOU.

The division bells rang from 8:34 p.m. until 8:44 p.m.

Motion negatived on the following recorded division.

Yeas

Devine	Swenson	Neudorf
Martens	Goohsen	D'Autremont
Toth	Britton	McPherson

— 9

Nays

Tchorzewski	Lingenfelter	Shillington
Atkinson	Johnson	Lautermilch
Cunningham	Penner	Upshall
Hagel	Bradley	Teichrob
Cline	Crofford	Renaud
Trew	Draper	Whitmore
Sonntag	Roy	Langford
Kujawa	Stanger	Jess

— 24

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Chairman, I would just like to say to the minister that it was obvious from the recent vote that the Liberals in this particular House have no problem with revealing the MOU and the things that the federal Liberal government are doing. So I mean . . .

The Chair: — Order, order.

Mr. Swenson: — So, Mr. Minister, now that we have got that business dispensed with, perhaps I can give you another opportunity to simply tell this Assembly or show this Assembly what kind of an agreement that you've cut with the federal

Minister of Agriculture in regards to safety net measures and this particular legislation which you tell us is all rolled together in an outline of agriculture.

I mean we're only asking what members of the House of Commons are going to be getting, what people in the Liberal Party are going to be getting. We simply want to understand this MOU that you've designed and I understand you need to consult the federal minister so he doesn't feel like you've stabbed him in the back or his officials. I understand that.

So why don't you just say to the Assembly: I give you the commitment that as soon as possible, I'll bring that MOU to this House. We'll discuss it and if this Bill is part of that package, we'll get on with this Bill and we can amend it or whatever we want to do with it, but get on with implementing it so that you can start spending your money. And that seems to me like a pretty reasonable proposition so I don't know why you don't just agree to do that and it can all happen in a few days time and away we go.

Hon. Mr. Cunningham: — Well again, Mr. Chairman, I have no desire to keep information from the members opposite. Certainly there are news bulletins out. There are information out on what the safety net is, and I can go through that in great detail.

Again there will be a chance in estimates for you to rail on about how good '91 GRIP was and what the replacement looks like. And certainly those pieces are in budget and we'll have a chance to explain them. And I — certainly as I said earlier, if the federal government agree — I will give you any information that they will let us release.

The point I'm making is that it's not really relevant to the Bill here, which is a provincial Bill putting \$18 million into the fund. Regardless of whether or not this Bill passes now or a month from now or whenever, I can't commit to table anything that is between the federal government, the federal minister and myself, without consulting with him. He is now in South America. I don't know how fast I'll be able to get clearance on what I can or can't give to you for information.

Certainly there's no information here that's not public knowledge, that you haven't seen. But that, Mr. Chairman, is where we're at. I don't see that it has relevance to the particular Bill that's before the House. But I've made the commitment that I will try to check with the federal government and table whatever we have that they are agreeable to.

Mr. Swenson: — Mr. Minister, the only way that we have of definitely seeing that MOU is if this Bill is not passed. That's the only way that we'll really know and understand the agreement that you have made with the federal Department of Agriculture.

And I would venture to say that your deputy minister and Mr. Goodale's deputy minister are probably on such a good working relationship that a call tomorrow morning from your deputy to his deputy will probably iron this whole thing right out. I have no doubt in my mind at all. And as a matter of fact, their

working relationship should be better than the one that you have with Mr. Goodale.

So once more, would you give the commitment that you'll do that and then you'll bring it back to the House here and we can have a discussion and then we'll get on with it?

Hon. Mr. Cunningham: — Well certainly not true that that's the only way you'll see those information. When the agreement is finalized and we have our legislation done and they have whatever process they have done, there will be OCs (order in council) that will . . . then that will be . . . the agreement will be public knowledge at that time. And it is a fact the essence of the agreement, the substance of it, is public now.

We've got an enhanced NISA, we've got a sector program, we've got crop insurance, and we've got an ag innovation fund — that is all public knowledge at this time.

Mr. Neudorf: — Thank you, Mr. Chairman. No, Mr. Minister, that's not the only way which we will see that agreement. We are not about, in this legislature, to give you the okay to spend 18-million-odd dollars only to find out that we bought a pig in a poke afterwards. We're not prepared to do that. We want to see that memorandum of understanding.

Now if you are saying that it will take until tomorrow or sometime in the future for you to get in contact with Mr. Goodale to accomplish that objective then we say, don't jam that Bill at us tonight. That's what we're objecting. Don't jam this Bill at us now because we will not stand for that.

So pull the Bill. Pull the Bill until you've got contact with Mr. Goodale. Give us that memorandum of understanding and if we agree with it, it'll go lickety-split. But in the meantime you're going to be wasting the time of this legislature for the rest of this evening, Mr. Minister.

Mr. Chairman, I move that the Chairman now leave the chair.

The Chair: — I want to remind the members that if they want to participate in the vote, they must do so from their own seat. They cannot do it from any other seat in the Chamber. Order. Order.

The division bells rang from 8:55 p.m. until 9:06 p.m.

Motion negatived on the following recorded division.

Yeas

Devine	Swenson	Neudorf
Martens	Goohsen	D'Autremont
Toth	Britton	

— 8

Nays

Tchorzewski	Lingenfelter	Shillington
Atkinson	Johnson	Lautermilch
Cunningham	Penner	Upshall
Hagel	Bradley	Teichrob

Cline	Crofford	Renaud
Trew	Draper	Whitmore
Sonntag	Roy	Langford
Stanger		

play politics. We want to hold it up awhile.

You will have to explain to the producer groups and the processor groups, the food process association and all the people . . .

— 22

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, given the fact that the House has had a little time to deliberate the issue . . . and I make it very clear to you and your colleagues that we are not here to not do the business of the House. There's people here willing to talk about the NewGrade Energy Act; there's people here willing to talk about New Careers and the estimates in that particular entity; there are people here prepared to do the work of the House and the taxpayer.

The Chair: — Order, order.

Hon. Mr. Cunningham: — I think, Mr. Chairman, that I've answered the question.

But what we're not prepared to do . . . And I've even had it suggested to me in the last few minutes that maybe you don't even have an agreement.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, I mean your own agreement . . . one whole section of this is the federal-provincial agreement. It says, the minister may, may contain provisions respecting . . . and you've got a whole raft of loosey-goosey stuff there that you may do.

So I mean, all you have to do, if you're just looking for some place to park \$18 million, that all you need to do is show us what Mr. Goodale's going to have to show a whole bunch of people. Show us the memorandum of understanding that you have with the federal government that's going to show how this particular piece of legislation fits into a picture that is going to present to the agricultural community of this province a very clear understanding of where your government's going to take us. That's all you have to do.

Now, Minister, you tell us that this MOU is part of a larger agreement of joint federal-provincial funding, that when you destroyed the GRIP program you then entered into a new safety net program which you and Mr. Goodale worked out last year. And you signed, on behalf of Saskatchewan farmers and taxpayers, a broad-ranging agreement of which this is one — okay — one part.

And because we're not able to get that tonight — and I understand your problem — that the best thing for us to do is allow your deputy minister to phone Mr. Goodale's deputy minister, see if it's okay, and if it's not, then for you to talk to Mr. Goodale, and then we'll come back and deal with this. There's no other way, I don't think, that we can get around it. And it makes sense. It just makes absolute sense to do that, Mr. Minister. Can you tell us if you're prepared to do that.

And the minister may do a whole bunch of things. Is it because you don't have an agreement, Minister, that you don't want to share with us? We're not asking . . . I mean we're prepared to go to work. There are people here prepared to talk about NewGrade so that the Deputy Premier can get on with his life, and there's people here prepared to talk about New Careers, so the Education minister can get on with her life.

Hon. Mr. Cunningham: — Well, Mr. Chairman, again, the business before the House is the \$18 million in ag innovation fund. Our agreement is very clear. We've been very public with it, and as I say, pieces of it are going into effect. NISA is going into effect. This is going into effect; this is being carried out. We have an agreement; we have a plan.

You know we're suspicious maybe you don't even have one because you're being so stubborn. All we're asking is that you present the MOU to this House, and then we can understand where you're taking agriculture in the province of Saskatchewan — nothing more. That's all we ask.

I know the members opposite don't like it and I know who's wasting time here. The members opposite are wasting time, and as you prepare to play politics and talk about '91 GRIP, as you waste time here, that is that much longer before we can get the board in place and before we can get on with rural development in this province. And you're standing here saying, oh yes, we're very supportive of this initiative in principle, but by the way we're going to play a little politics and hold this up for a few days because, you know, we want to play some politics here.

Hon. Mr. Cunningham: — Mr. Chairman, I have here . . . this is the brochure. This is how public it is. This is the agreement published jointly by Sask Ag and Food and Agriculture and Agri-Food Canada. Members don't know what the new safety net is; it's right here in this publication. It's been distributed to farmers all across this province.

And that, Mr. Chairman, is where we're at right now. The Bill before the House is the ag innovation fund. This is the provincial commitment of it, \$18 million which we're putting into legislation, Mr. Chairman — putting into legislation. That puts the money in the fund by an Act of the legislature in full public view. And the members opposite are saying — whoa, whoa! — there might be something fishy about this. We want to

To stand up and say, oh, there might not be an agreement, that this might be all phoney . . . Mr. Chairman, we have a safety net that's been negotiated, and this is part of it. And I don't know how much more public and how much more open and how much more accountable you can get than putting it in an actual Act.

It's right here in front of the legislature saying we're spending \$18 million, we're putting it into an Act. And you say well, we shouldn't vote for putting it into an Act because it might disappear before that. The way to keep it from disappearing is put it in the Act, pass the Act, the board will be up and running, the funds will be there, and I don't know what more you can ask for.

(2115)

Mr. Neudorf: — Thank you very much, Mr. Chairman. Mr. Minister, let's do this in a calm, rational way here. You're asking us to give you \$18 million of taxpayers' money, not knowing for what it is going to be spent, not knowing for what the agreement is.

Atkinson
Cunningham
Hagel
Cline
Trew
Sonntag
Kujawa

Johnson
Penner
Bradley
Crofford
Draper
Roy
Stanger

Lautermilch
Upshall
Teichrob
Renaud
Whitmore
Langford
Jess

— 24

Because, Mr. Chairman, right in this Act that we're talking about now it says that the Lieutenant Governor in Council may authorize — may authorize — the minister to enter into an agreement. There is no agreement. You are authorized to enter into an agreement. You're telling us that you have an MOU already done. This Act is the only thing that legitimizes that. So we're asking for a little bit of an explanation.

You have on a prior occasion tonight committed to me that you were going to find out whether Mr. Goodale would be in collaboration with you to authorize you to share that memorandum of agreement with us. And as soon as that is done we can get on with the process of passing this Act if we think it is appropriate. And if we do, we will cooperate and we will even agree with you, but not under the conditions that you're proposing tonight, Mr. Minister. Mr. Minister, you are putting us in an untenable position here. We cannot accept this; but we don't want to hold up the business of the House.

Mr. Minister, the Deputy Premier is sitting in his chair there, his officials are here, he's in charge of NewGrade . . . Because, Mr. Chairman — I want to point this out to the public very well — the government thought that they would railroad this thing through tonight. And then the next issue on the agenda — the House agenda for today — the next issue after this Bill is item 3, Bill 8 — an Act to repeal the NewGrade Energy. So my proposal . . .

An Hon. Member: — So what?

Mr. Neudorf: — The Government House Leader asks, so what? My proposal is that since we are in a stalemate — we still have some time left to work today — so therefore I'm going to suggest that we report progress. Our critic for NewGrade is here, your minister is here. This next item of business is on the agenda, as agreed to by the House leaders this morning. We've got lots of work to do; let's get on with it. So, Mr. Chairman, I move that we report progress so we can get on with work.

The division bells rang from 9:18 p.m. until 9:28 p.m.

Motion negatived on the following recorded division.

Yeas

Devine	Swenson	Neudorf
Martens	Goohsen	D'Autremont
Toth	Britton	

— 8

Nays

Tchorzewski	Lingenfelter	Shillington
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(2130)

Mr. Swenson: — Thank you, Mr. Chairman. Are we going to have officials? Thank you, Mr. Chairman.

Let's try and go at this a different way, Minister. You seem to have some reluctance to share with the public in the province, the process that you and the federal minister have entered into to spend their money and the protection that you claim to have garnered on their behalf because you gave up previous agreements to get this agreement. So if you're not comfortable with talking about your responsibility to the taxpayer and to the farmers of this province, would you tell me if this MOU, which you signed or say you signed with the Minister of Agriculture, Mr. Goodale, is the same or similar to ones that he'll be signing with, for instance, the two neighbouring provinces, Manitoba and Alberta.

Hon. Mr. Cunningham: — I don't know what they'll sign with Manitoba and Alberta. I think they will not be similar to what they're signing; with Manitoba and Alberta, the difference being that we gave notice to get out of GRIP two years ago. We began immediately to negotiate some replacement safety net. We got that safety net based on \$850 million of federal safety net money, which they said this is the amount of money that we're going to spend in Canada.

We said our share's about \$250 million of that, and we negotiated a safety net based on that amount of money. And since then the federal government in the last budget said we don't have \$850 million any more; we're going to \$600 million. And so Manitoba and Alberta are going to be negotiating in that new atmosphere. Alberta's given notice to get out of GRIP. They are encouraging their farmers to get out immediately, so I don't know whether they will be two years before they're wound out of GRIP. I suspect that it may well be.

Manitoba has yet to give their notice to be out of GRIP, and so I think the safety nets between the provinces will vary for some time, and I think we will have by far the superior safety net in the years ahead.

Mr. Swenson: — Okay, Minister. You've got \$250 million you tell us, and of that 60-some million is tied up in this agreement. Is that correct? This agreement has got 60 million and the other . . . that would leave 190 as directed at other things? Is that correct?

Hon. Mr. Cunningham: — The member asks what we got in the federal safety net dollars. If you go to . . . ongoing funding is \$92 million for full farm program, the enhanced NISA; \$53 million into the crop sector program; \$25 million in cash advance, and \$25 million into development funding, plus

another 60 million or so in crop insurance. So that's the committed annual funding of the federal government in the safety net. In addition to that, their GRIP surplus money went into top-ups of the NISA account and into the sector program.

Mr. Swenson: — Minister, we're going to have to get you to repeat those numbers. And I understand why you wanted to say some of those things real fast, so that somebody wouldn't question you on them. But would you please give us those numbers and what they're for again, please.

Hon. Mr. Cunningham: — Okay . . .

The Chair: — Order, order.

Hon. Mr. Cunningham: — One more time around the block. Ongoing funding in the safety net, which is what we were talking about, not the GRIP surplus. We didn't view that as being something that they should put into ongoing funding. Our share of \$850 million is what we thought we needed in addition to the GRIP surplus. So what we're saying is they're putting \$92 million into NISA, \$53 million into the crop sector program, \$25 million into cash advances, \$25 million into development, and crop insurance in addition to that which I think is about \$60 million. So it gives you around the 255, \$260 million.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, I'd like you to put that in a proper form and table it, if you could, with the Assembly so that we could have those numbers please.

I'm amazed that you would allow Mr. Goodale to say that \$25 million in cash advance is part of something that you negotiated. I mean that's absolutely bizarre. That cash advance has been around for ever and a day. And you think it's something new, that you've cut a good deal, the fact that we're getting 25 million in cash advance. NISA came in at the same time as GRIP and I certainly don't notice any windfalls on NISA.

I'd like you to explain \$53 million on crop sector, whatever that means. And crop insurance, Mr. Minister, has been around for 25 years-plus.

There's nothing new here, Mr. Minister, except this \$60 million that you're asking for in this Bill here. And that's why the rest of that is just smoke and mirrors, Minister. The meat and potatoes of what you've gotten is directly tied to this Bill where the 60 million bucks is going over the next four years. And that's why we want to know about the MOU that you and Mr. Goodale have signed on behalf of Saskatchewan farmers and taxpayers. That's not unreasonable, Minister. The rest of this is all old hat. The part that we don't know about is this 60 million bucks here.

So I say to you once again, given that the rest of this stuff has always been here, whether you sat in that chair or somebody else, the part you bring to the party is the \$60 million. Once again, will you give us a commitment that you'll contact your federal officials and share that with us?

Hon. Mr. Cunningham: — Mr. Chairman, the member says that this stuff is old hat. He may well remember that the federal

Conservative government did away with the interest-free cash advance. The current federal government reinstated it, and they made it very clear when they did that this was going to be part of the overall funding for the safety net.

Yes, there isn't enough money in the safety nets; \$850 million is a dramatic reduction in federal safety nets. What we said is that \$250 million of that should be Saskatchewan's share. And I think to say that we wanted all \$850 million would be somewhat unrealistic. That's the basis that we negotiated, and that's what we got. And that has all been public knowledge.

As I said, the NISA is already in effect. The sector program is coming into effect, and cash advances are in effect. Crop insurance is in effect, and now we're doing our share of putting in effect the ag innovation fund which is what we're here debating tonight.

Mr. Swenson: — So you're saying, Mr. Minister, that we're now down to \$600 million Canada-wide, and you've got 250 of it in some kind of new or ongoing programing? Mr. Minister, the only thing I can see here that is new is the issue before the House. It's the only thing that I can see that's new. The rest of it's been around in one form or another for a long time. The only new part that you bring to the party is this particular legislation and the federal money tied to it.

And I can't understand why you would say that because you got this deal, that farmers in other parts of Canada have gone without. Because that simply isn't true and you know it's not true. They maybe are going to get less of this pie now, but they've gotten a whole lot of the pie before they ever got to this point. And that goes for Quebec and Ontario and Manitoba and Alberta. The whole caboodle of them have done very well.

Now, Mr. Minister, once again, given that the only new initiative that you've negotiated as part of this is this particular legislation which says that you may do a whole bunch of things, would you just simply give us the courtesy that I'm sure Mr. Goodale, at some point, will have to give to the House of Commons and let us see the MOU that you have signed that spells out the agreement with this money? And I don't know why you're so reluctant unless you don't have an agreement.

Hon. Mr. Cunningham: — Well again, Mr. Chairman, the member says that this is all old hat and not new. No other province in this country has a NISA contribution where farmers can get 4 per cent of their gross eligible sales . . . or net eligible sales matched by the governments. No other . . . most other provinces don't have livestock covered by NISA. Manitoba doesn't; I think that Manitoba recently announced that they're bringing NISA in . . . or bringing livestock into NISA. Alberta doesn't have it.

No other province has the crop sector program which we have negotiated, which is a program that's based on the sector or the revenue of the sector for the province. It's a program where farmers pay no premiums. The premiums are paid by federal and provincial governments. That is not available in any other province in this country. So obviously, we have . . . no other province is going to have, to my knowledge, have anything like

this ag innovation fund which I think is going to give us a tremendous jump. If this fund works as well as we think it is, it will give us a tremendous jump in agriculture in creating new markets for farmers' products, creating new products for farmers to grow, and creating jobs and so on in rural Saskatchewan.

So that is . . . it is one piece of a safety net that we've negotiated which I think is, given the circumstances, given the huge cuts that the federal government has made in their ag budget, I think that we definitely are in a position to . . . in a better position than most, if not all, other provinces.

Mr. Swenson: — Mr. Minister, will any farmers in Saskatchewan next year, 1996, have to pay back to your government any monies at all associated with the safety net program, either present or in the past?

(2145)

Hon. Mr. Cunningham: — Well, Mr. Chairman, we're wandering quite away astray of The Agri-Food Innovation Act here.

Mr. Chairman, we have gone through . . . I'm assuming that he's referring to the winding-down of the GRIP program and we've gone through that. It's being wound down as was tripartites for beef, cattle, and hogs and so on.

Had we run the program to the end, our estimate is there would have been a \$760 million surplus in the fund; \$253 million of that we could have cut as cheques to farmers. But because we could forecast that with some reasonable degree of certainty, what we did is not collected the '93 overpayments and not collected the '94 premiums. When the program now winds down there will be, in our estimation at this point, and I think a fairly accurate estimation, \$26 million left in the fund that will be paid out to producers.

So that's the situation where we're in with the old GRIP program and I think we've gone through this in question periods and other things. I don't know what the relevance of that is to the ag innovation fund but we can . . . if the members are reluctant to talk about this Act, we can talk about whatever they want to.

Mr. Swenson: — Well, Mr. Chairman, that's why I asked the question. And the minister refused to answer, you noticed. He refused to answer the question because part of the package that he negotiated, which he says is good for rural Saskatchewan and good for producers, and the sums of money that he's identified here, will not do one thing for the producers in this province which his government, if re-elected, is going to demand that they pay back to the treasury of this province \$115 million. Because that's what's at stake here, Mr. Minister. That's what's at stake.

You've gone out and negotiated through an MOU a program, of which this is part, that's still going to leave a whole bunch of producers, thousands of them in this province, on alert for \$115 million. That's some safety net program. Because that's what the

overpayments were. Yes, it's your safety net not the farmers. And you're coming forward. You're coming forward with this program, this Bill, as part of a new structure, a new structure which isn't going to rectify that problem at all — not one bit.

And that's why we're asking you. We want to understand the components here. We want to know what you and Mr. Goodale cut because there's people out there that got a whole lot of problems yet and because in an election year you put off them paying any interest or paying back any principal. The fact is that it's going to come home to roost in 1996. And when agricultural producers in this province looked and said my goodness; there's \$600 million-plus in the GRIP surplus — and the minister has given back, he says tonight, 26 million — they are asking, well what else is there. What else is there?

You gave us a list tonight of a bunch of things that have been around for a long, long time; there's nothing new there. There's no excitement there. There is one component in this Bill which is different, and all we're asking you is some easy questions about what it's going to do, what kind of people it's going to involve, how are you going to pay the board, how are you going to choose the board. Are producers going to have the majority on the board — really simple stuff. And we want to know the context that you and the federal minister signed to make this part of the safety net.

And you tell us that we're off track, that we shouldn't be talking about GRIP. We shouldn't be talking about your safety nets. We shouldn't be talking about the overpayment. I mean for goodness's sakes Minister; next year, tell me I'm wrong, that producers in this province aren't going to get a bill for \$115 million.

I asked you: are people going to have to pay on either the current safety net or previous safety nets, money back to your government? That was a real simple question.

Hon. Mr. Cunningham: — I think the member opposite is either tired at this time of night or is being deliberately obtuse and not listening to the answer. I'm a little confused. The member from Maple Creek stands up and says that this is a waste of money and it's not going to benefit any farmers in this province when I say that they should be supporting this Bill. And the member from Rosthern stands up and says, oh no, we're in principle; we're supporting it; we think this is the way to go.

Now the member from Thunder Creek stands up and says, well this isn't going to benefit farmers at all. This is no good. You should have paid them back the cash, not only their share of the cash but the government's share of the cash and not used it for wasteful things like this. Where do you stand on this? Do you want us to do diversification and value added in this province or do you not want us to do diversification and value added in this province?

And certainly as I pointed out, we could have collected the \$112 million and the \$115 million from the farmers and then paid them back \$253 million. That makes no sense to us. We did not collect those and that leaves \$26 million in the balance. We're not going to have \$760 million in the GRIP surplus

because we never collected the farmers' '93 overpayment nor the '94 premiums which was all part of what makes the pot.

And instead of collecting it and then paying it back, we just deferred paying it back to settle up when it's done. And our estimate is that there will be \$26 million in the fund going out to farmers when it's wound down. And again the members can continue to go back and talk about '91 GRIP and they can continue to espouse a lot of different policy issues. The question here tonight is the ag innovation fund and are you in support of it or are you not?

If you have questions to ask, go ahead, ask the questions. I'll explain them. If you're for it, vote for it. If you're against it, vote against it. That's the way the system works.

Mr. Swenson: — I'm going to make this real simple, Minister, real simple. Is there and are there producers in the province of Saskatchewan who will have to pay back to your government in 1996, funds associated with either current or past farm support programs? Is that a yes or a no, Minister?

Hon. Mr. Cunningham: — I don't know what exact safety net he's referring to. If somebody got overpaid from Crop Insurance obviously they will get a bill in whatever area you're talking about. I've gone through the GRIP surplus six times, if that's the nature of the member's question. Farmers are getting \$253 million back out of GRIP. Most of it will be in deferred payments that we never collected from them — \$26 million will be left in the fund at the end, which will be distributed to farmers.

Mr. Swenson: — No. Minister, just a straight question. Are there producers and farmers in the province of Saskatchewan that will have to pay in 1996 cash money to your government, if re-elected, because of an overpayment in the GRIP fund? Plain and simple.

The Chair: — For the benefit of the Chair, I wonder if both the member for Thunder Creek and the minister might relate their questions and answers to the Bill before us. There are some aspects of agriculture that escape me but I must say that the current dialogue is escaping me. So I would ask both the member and the minister to relate this to the Bill at hand.

Hon. Mr. Cunningham: — It's impossible to relate those questions to the Bill. Certainly, again, the members will have all kinds of opportunity to go back and espouse how they would like to go back to '91 GRIP when we get into estimates and maybe that's the place for it.

Mr. Swenson: — Well, Mr. Chairman, I thought I did in the previous question relate it, because this Bill deals with a part of the minister's safety net program which he has negotiated with the Minister of Agriculture for the country of Canada, and we are trying to determine what component . . . and where this piece fits.

This Bill here deals with a sum of money. At the minister's discretion . . . which the minister by his own admission says is part and parcel of a bigger package, which he just went down

through a list of components of which this is a component. That's why I'm asking the minister the question.

He says it is integral to the program that he negotiated with the federal government — a,b,c,d,e — signed by the minister. And we want the minister to divulge that MOU to the taxpayer and the farmer of this province. That is not a difficult request nor a difficult question to answer, Mr. Chairman.

And it relates directly to Bill 23, An Act to establish The Agri-Food Innovation Fund, which is a major plank and component of the minister's agricultural delivery program for the province of Saskatchewan.

So rather than the minister waste the time of the House and not answer the questions, Mr. Chairman, I move that the chairman now do leave the Chair.

The division bells rang from 9:55 p.m. until 10:05 p.m.

Motion negatived on the following recorded division.

Yeas

Devine	Swenson	Neudorf
Martens	Goohsen	D'Autremont
Toth	Britton	

— 8

Nays

Shillington	Atkinson	Johnson
Lautermilch	Cunningham	Penner
Upshall	Hagel	Bradley
Teichrob	Cline	Crofford
Renaud	Trew	Draper
Whitmore	Sonntag	Roy
Stanger		

— 19

Mr. Goohsen: — Thank you, Mr. Chairman. Minister, I have listened with great interest to the debate as we have discussed Bill 23 through the course of the evening. And having started this a little while ago with you and having made some points with you on what we are agreeing and disagreeing with, I was very disappointed when you took the literary licence to quote back to this Assembly what you interpreted that I had said which of course I didn't say. But we have, of course, the unusual circumstance in committee of being able to stand up once again and straighten you out.

I have never said that I'm against research, and I've never been against marketing examinations and determinations and studies on how to go about that. Nor have I ever been against anything outside of agriculture doing those very same things. But most certainly we wouldn't be against it within the agricultural structure as an industry.

However, what we are against, Minister, is the way that you and your government have taken money away from the farm community and now are trying to apply that very same money

out of the farmers' pockets through another back-door vehicle, using their money to buy you a new program that you are trying to tell people is new, innovative, and good for them — just before an election.

And we've caught you, quite frankly, in what you've been doing. You're taking from Peter to pay Paul, stealing from one pocket to put in the other. The old sayings, they all apply. You've taken the farmers' money. And then you went and you claim you cut a deal with the federal government. But we can't find the deal, because you don't have it on paper. Then you say what . . . you have a memorandum. But you won't give us a memorandum.

Well, Minister, quite frankly, I've got ocean property over by Waldeck that I'm quite willing to sell cheap to anybody. If they'll believe you, they'll believe that, and I can make a fortune.

The fact of the matter is, sir, that you don't have a memorandum or you'd give it to us. That's why you've been stalling all night and that's what this is really all about. You figure after a while the clock will run out, and you'll be off the hook, and everybody will forget it because we're all watching the Academy Awards tonight. Well we're not. We're watching you. That's our job. And we're going to keep on watching you, and no matter what kind of an act you put on tonight you will not win an Oscar. I almost said a Juno. But anyway — you won't win one of those either.

My friend, you might as well come clean. Give us the memorandum that you've got or call this charade off and get on with the other business of the evening. Don't stand in your place and tell folks that we're against research and marketing when what we're against is the Bill that you're trying to slip in that was designed for no other purpose except to take money out of the farmers' pockets to put into a new fund with a different face on it so that you could try to claim that you're doing something innovative and something creative.

We're not against research. We're against you finagling money out of the farmers' pockets, that they should've had already in their pockets, in order to pay for it.

The Chair: — Order, order.

Mr. Goohsen: — Thank you, Mr. Chairman. I know that some of the members opposite are a little upset when we catch them doing these kind of things, so they do have to heckle, and that's their job. And we have nothing against them heckling because I've turned my hearing-aid off a long time ago.

Now, Mr. Minister, as a farmer, you must surely have some loyalty to your neighbours. Don't you feel just a little bit bad about the fact that you had to take their money away from them in order to try to create this new corporation, this new corporation, designed to do nothing that you couldn't have done through ADF, just designed to try to put your name and your government's stamp on a new program — a new program, Mr. Deputy Chairman, that is absolutely doing nothing that couldn't be done through the Department of Agriculture and the many facets that are there already.

You say this won't cost any money. Nobody, nobody, will ever believe that. You can't set up a new corporation without costing the taxpayers more money. I don't care what a genius you think you are, it can't be done. You will have to spend money, and it will have to come out of somebody, and it won't come out of your pocket, I guarantee that to the people of this province. It'll come out of their pockets. Because the taxpayer pays the bills, and you, sir, are setting up a new corporate Crown, some kind of an entity. And you try to tell us that you've struck a deal with the federal government, and all you're really doing is finding a home for some of your political friends.

But the misrepresentation of saying that we're against research, that's the part that gets me really feeling bad because I didn't think you'd do that even to your political adversaries. After all, sir, we are all farmers and we all know that research is what keeps the bugs out of our crops. We know that we have to have chemicals to apply to kill the weeds. We all know that we have to have programs for the livestock producers to find out how to market things and where to market them. We all know that those are good and wonderful and necessary things. But I'm saying to you, that my neighbours don't believe you should have taken their money out of their pockets — cash money that was owed to them through these other programs — to pay for this.

Society at large, the taxpayers at large, should be contributing to these kinds of research programs. You should not be setting up a new entity, taking farmers' money away from them to apply it to here. You are taking money and slipping it through a back doorway of trying to get the farmers to pay for their own programs that society in general should have been paid for all along.

So don't say that we're against progress or diversification. All of our farms have had to diversify. Probably the biggest diversification we've seen is that every farm wife in our community has gone out and got a job. That wasn't an easy decision for those people to make but they did it because it was necessary to survive. And they did it in spite of governments of every kind. They survived and stayed out there.

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But you didn't make it any easier when you started taking away their money. And now they find out that you went to the federal government and made a bad deal. You made a bad deal because you're putting \$25 million into a cash-advance program that was always paid for by the federal government. All of a sudden you people, the great geniuses of Saskatchewan, decide we should pay for it ourselves. Well what a brilliant deduction.

The federal government gets off the hook for \$25 million. And you've got the audacity to stand here and try to tell us that Alberta would be doing the same thing. And that does, Mr. Chairman, relate directly to the Bill because what we're saying is that the money that is covered in this Bill — the \$60 million out of the feds — is not being given fairly and equally to the other provinces and to us. We're taking the short end.

And this Bill, and the so-called deal that promotes it, means that we are going to be with less money again in Saskatchewan than

Alberta and Manitoba will get. You got took at the table of bargaining because you're not a good bargainer. Stand up and admit that, sir. But first of all, I'd like you to have an opportunity to correct the wrongdoing that you did to those of us personally over here when you said that we were against research and marketing development, and I'll give you that opportunity right now.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I'm not sure . . . the member opposite becomes more and more confused as he goes. I think I can see his dilemma. They're in favour of research and development. They think this Bill is a good thing but they don't want to vote for a government Bill, and so the tactic is to delay and delay and to . . . One stands up and says they're opposed to it and then they're for it and then they're opposed to it. That's what this is all about.

Mr. Chairman, this is about helping farmers. This is about a new direction and either you're in favour of diversification and value added and you're prepared to put some money into it or you're not, and if the members are not then they should vote against it.

It also puts a dilemma on what their program would be, as they say well, we should go back to '91 GRIP. We should do this too and we should also have a balanced budget legislation, which starts to not add up.

Mr. Chairman, we have a plan in agriculture. We have taken the bull by the horns. We are working with the farmers to adjust it. Let's go through, step through the plan. That's a good idea. We had a leaseback program which kept thousands of farmers on the land, a new and innovative program. We're bringing . . . biotech companies are coming to Saskatoon at a very rapid rate. We've got a greenhouse in Biggar. We've got a value added plant. We've got a flax plant coming up in my riding. We've got a new canola plant — Cargill coming to Saskatoon. We are being very successful — another canola plant is coming to Watson, if you read the paper today.

This is establishing markets and opportunities for rural people and for farmers, and the markets are there. Canamino, with an oat product that's going to be made for cosmetics which is another market for farmers. We are having a lot of success, and no doubt there's been a lot of pain and adjustment in farmers.

But we can go back to the old style of your government of pouring money into people to continue to grow wheat and to ignore the world around them. We've taken to helping farmers adapt and this is one more fund. And I know, where you can stand up and say one minute that you're for it and the next minute it's a waste of money and that it won't benefit farmers, you can't keep doing that. You have to vote yes or no.

And so I think, you know, you can stick around here for six weeks debating this, but sooner or later it's going to come to a vote, and you're going to have to vote yes you're in favour of this, or no you're not. And that's, unfortunately or fortunately, that's what voters in this province expect. You have to take a position.

And the Bill is before the House. If you have questions, ask questions. And if you don't have questions, then stand up and bring it to a vote and, you know, don't keep standing up telling me yes, we're in favour of this; no we're not in favour of it. The answer that voters will look at is how you vote when the Bill comes to question, and you can't avoid that. Sooner or later one of these days this Bill is going to come to a vote, and you're going to have to vote for it or against it.

And so, Mr. Chairman, I urge the members opposite to consider the Bill, consider the opportunity that there is in Saskatchewan, consider how this will help us to adjust. Adjustment is going to be even more painful given the federal budget and the reduction in their spending, the elimination of the Crow benefit. But all the more it becomes important that we take the direction of diversification and value added.

Members opposite espoused that when they were in government, but they brought in a GRIP program that paid you a guaranteed return to . . . gross return to grow wheat. That didn't work. Farmers went broke by the hundreds. Diversification didn't happen. Value added didn't happen. We've taken a different plan, and we're doing it, and we haven't been able to take out all the pain of adjustment that's happening out there, but at least we've shown producers in this province and the processing industry in this province that there is a way and that we're prepared to help them. And \$91 million in an ag innovation fund is a very helpful step.

Now the member opposite says well, it's a waste of money; it's not going to help any farmers. I would dispute that. But if that's what he feels, then I think he should vote against the Bill, and let's get on with it.

Mr. Martens: — Thank you, Mr. Speaker. It's obvious, it's obvious to this committee that the minister does not want to deal with the question in hand. We want to know what the memorandum of understanding is and the MOU that you signed with Ralph Goodale; we want to know what that memorandum is. And because there is no progress, Mr. Chairman, I move we report progress.

The division bells rang from 10:22 p.m. until 10:32 p.m.

Motion negatived on the following recorded division.

Yeas

Devine	Swenson	Neudorf
Martens	Goohsen	D'Autremont
Toth	Britton	

— 8

Nays

Shillington	Johnson	Lautermilch
Cunningham	Penner	Upshall
Hagel	Bradley	Teichrob
Cline	Crofford	Renaud
Trew	Whitmore	Sonntag
Roy	Stanger	

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March 27, 1995

The Chair: — Order. In accordance with rule 3(4), the committee shall rise and the Chair of the committee shall report the committee's progress to the Assembly.

The committee reported progress.

The Assembly adjourned at 10:35 p.m.