

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise on behalf of citizens of Saskatchewan concerned about the crop insurance premium hikes and coverage reductions. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take the money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

This petition is signed by the good citizens of Landis, Hudson Bay, and Mistatim.

I so present.

Mr. Hermanson: — Well thank you, Mr. Speaker. I have a petition regarding halting crop insurance premium hikes and coverage reductions. And this petition is to the Hon. Legislative Assembly of Saskatchewan in legislature assembled. Mr. Speaker, the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and to hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, these petitioners are from the communities of Biggar and Rosetown, and I'm pleased to present it on their behalf.

Ms. Draude: — Thank you, Mr. Speaker. I'm pleased to rise again today to present a petition from people who are still concerned about the long-term care rate increases:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

The people that have signed this petition are all from Kelvington.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also have a petition to present. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to

immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

The signators, Mr. Speaker, are from the city of Yorkton, village of Willowbrook, and Good Spirit Acres.

Mr. Toth: — Thank you, Mr. Speaker. As well to present a petition and reading the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

And as is duty bound, your petitioners will ever pray.

Mr. Speaker, the petition I present, signed by people from the city of Yorkton.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with proposed fee increases for long-term care services. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

And, Mr. Speaker, this petition is signed by individuals all from the community of Yorkton.

Mr. Elhard: — Thank you, Mr. Speaker. I have with me today a petition asking for a halt in crop insurance premium hikes and coverage reductions. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

As in duty bound, your petitioners will ever pray.

This petition is signed by producers in the Cabri and Pennant area of southwest Saskatchewan.

I so present.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I too rise today to present a petition on behalf of concerned Saskatchewan residents deeply concerned about the long-term care fees. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

And as in duty bound, your petitioners will ever pray.

And this is signed by citizens of Saskatoon.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I too have a petition to present on behalf of citizens of the province regarding the shape of the highways. Mr. Speaker, these petitions keep rolling in.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 35 in the Indian Head-Milestone constituency in order to prevent loss of life and injury and also to prevent the loss of economic opportunity in the area.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, this petition is signed by people from Odessa, Francis, Tyvan, Qu'Appelle, Fort Qu'Appelle, and Creelman.

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of the citizens of Pangman who are concerned about maintaining their school. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to maintain K to 12 education in the community of Pangman.

And as in duty bound, your petitioners will ever pray.

And the petition is signed by residents of Ogema, Pangman, Gladmar, Bengough, and Regina.

I so present.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of citizens who remain concerned on the issue of long-term care fees and the potential that those would go up. Mr. Speaker, the prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, the petitioners today come from the communities of Wymark, Herbert, Gull Lake, and the city of Swift Current.

I so present.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here with citizens concerned with tobacco legislation:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of

any tobacco products; furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Holdfast and Findlater.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. I have a petition signed by people throughout Saskatchewan who are concerned about the outrageous increases in crop insurance fees. And the petition reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

And as in duty bound, your petitioners will ever pray.

And, Mr. Speaker, this petition has been signed by the good people from Christopher Lake and Paddockwood.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also rise today to present a petition from citizens concerned about the changes to the crop insurance program. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

And as in duty bound, your petitioners will ever pray.

Signed by the good citizens of Perdue, Saskatchewan.

Mr. Hart: — Thank you, Mr. Speaker. I too rise to present a petition on behalf of Saskatchewan citizens concerned with the damaging changes to this year's crop insurance program. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plans to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

As in duty bound, your petitioners will ever pray.

Signatures to this petition, Mr. Speaker, come from the communities of Meacham and Colonsay.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I also rise in the Assembly today to bring forth a petition signed by citizens of Saskatchewan in regards to the crop insurance premium:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

And as in duty bound, your petitioners will ever pray.

And the signatures on this petition, Mr. Speaker, are from Holbein, Parkside, and Spiritwood.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have a petition signed by residents of the province concerned about the long-term care fee increases. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

Mr. Speaker, the petition is signed by folks from Unity, Saskatchewan.

Mr. Huyghebaert: — Thank you, Mr. Speaker. I also rise with a petition from folks that are still concerned about the long-term care fees and where it's going to go in the next little while. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

And as duty bound, your petitioners will ever pray.

And, Mr. Speaker, these are signed in total by the good citizens of Yorkton.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional papers nos. 8, 17, 18, 22, 23, 24, 31, and 32.

INTRODUCTION OF GUESTS

Hon. Mr. Cline: — Thank you, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly, a group of grade 7 students from St. Peter School which is located in the Dundonald neighbourhood of my constituency in Saskatoon.

And there are 26 of them; they're seated in your gallery, Mr. Speaker. And they are accompanied by teachers Anita Romanoff and Jody Wolos-Knopp, and also chaperones Mrs. Schreiner and Mr. Schaw.

And they're going to be, in addition to observing the proceedings here today, they will be having a tour of our building, which is their building. And they'll be having their photograph taken with me at 2:30.

And I'll be happy to . . . I'll have those photographs available for sale to all members of the Assembly. And then I . . . we're going to have, we're going to have a visit, Mr. Speaker, and then we're going . . . and during our visit . . . (inaudible interjection) . . . well the member . . . during our visit, Mr. Speaker . . . (inaudible interjection) . . . no we're not going to the Dairy Queen, but we're having drinks and we're having Dixie cups, Mr. Speaker. Please welcome the students.

Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Thank you, Mr. Speaker. I too have guests to invite . . . to introduce today. I'm very happy . . . in the west gallery is a group of 29 students from St. Matthew school here on Castle Road in Whitmore Park. They are here to tour the . . . obviously to witness the proceedings today, to tour the gallery. I don't know if they're posing for a picture with the Minister of Finance, but I will see if he can make himself available. And I certainly am looking forward to meeting with them later on this afternoon. I'd ask all members to join with me in welcoming them.

Hon. Members: Hear, hear!

Hon. Ms. Lorjé: — Thank you very much, Mr. Speaker. I would like to introduce a group of people seated in the west gallery who do not need drinks or Dixie cups since they've just had a lunch courtesy of the Minister of Northern Affairs.

We have some very distinguished visitors here from Ottawa, Winnipeg, Ile-a-la-Crosse, and just north of Lake Winnipeg, if I'm correct. These are gentlemen representing the Freshwater Fish Marketing Corporation.

And I would ask that everybody would make welcome Stephen Kendall, manager of resources development for Freshwater Fish Marketing Corporation; Tom Ritchie, the guy from Ottawa, who's the project officer of Cross Cultural Consulting Incorporated.

From Ile-a-la-Crosse, we have Jim Favel, a board member of FFMC (Freshwater Fish Marketing Corporation). Also, Andrew Bouvier is here, also a board member from FFMC. Jim Bear is the Chair, and a very good Chair he is, I might say. And of course imported from Newfoundland, doing a pit stop right now in Winnipeg and planning to retire in Saskatchewan, and probably Saskatoon, is the CEO (chief executive officer) and president, Bob Hand. I would like to say to all of the gentlemen, Ta wow.

(The hon. member spoke for a time in Cree.)

Hon. Members: Hear, hear!

(13:45)

Hon. Mr. Wartman: — Mr. Speaker. Mr. Speaker, I would like to introduce to you and through you to the rest of the Assembly two guests that are in the west gallery today, my daughter, Alaina Wartman, who has just finished her second year at university studying political science in Saskatoon; and her boyfriend, Drew Hitchcock, who just recently graduated from law and will be articling with the Court of Queen's Bench.

So I'd like all to join with me in welcoming them here today.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you two very good people seated in your gallery — Tom and Dolores Cameron from Cannington constituency.

Mr. Speaker, these people are very active in their community and recently the Minister of Highways and I had a chance to visit with them at a spring banquet. I'd also note that Tom and Dolores are good friends of good friends of mine and I'd ask all members of the Assembly to give them a warm welcome. Thank you.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Farm Subsidies

Mr. Forbes: — Thank you, Mr. Speaker. There's an old joke that involves a blindfolded man with his hands tied behind his back, buried up to his neck in sand forced to fight a vicious bulldog. When in desperation he opens his mouth and tries to bite back, the, quote, referee hits him on the head with a club and says, you fight fair, now. Well does this sound familiar, Mr. Speaker?

It's more than a little like the situation Canadian farmers find themselves in today. It was announced in the US (United States) that farm subsidies, which are already outrageously distorted against Canadian producers, have just been increased by as much as 70 per cent. As well, it extends subsidies to pulse crops which heretofore have not been included.

Mr. Speaker, it is not difficult . . . it is difficult not to sputter over this. How does one react to a story that says American Congress has reached a compromise whereby the maximum figure any individual can now collect on the new American farm subsidy is \$360,000 — \$360,000. Some wanted it capped at \$550,000. This is amazing.

The subsidy differential before was unacceptable and now the differential is unconscionable. What are some of the American papers saying about this? The *Atlanta Journal* says in a recent editorial:

This is nothing more, nor less than pure pork barrel spending . . . the largest corporate welfare program in our country . . .

And the *Indianapolis Star* says:

Instead of helping hard-scrabble farmers, subsidies and price supports benefit big grain and cotton farmers.

And, Mr. Speaker, this astonishingly unfair announcement has been met with a resounding silence in Ottawa, as always too typical.

Mr. Speaker, if these are the acts of our friends, we had better look for a better class of enemy. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Saskatchewan Party Candidate Chosen for Kindersley Constituency

Mr. Hermanson: — Thank you, Mr. Speaker. I want to tell the Assembly about an exciting event that took place last night in Kindersley.

The Saskatchewan Party held its nomination meeting and, Mr. Speaker, there was a standing-room crowd only at the Kindersley Inn. In fact, the media report that over 600 people attended the nomination meeting.

Mr. Speaker, there were five excellent candidates that sought the Saskatchewan Party nomination, and this contested nomination is just but one sign of the growing support for the Saskatchewan Party throughout the province. Mr. Speaker, more and more prominent citizens are coming forward to let their name stand on the next ballot under the Saskatchewan Party banner to win the election when the Premier calls it.

Mr. Speaker, I'm pleased to report to the Assembly that the winning candidate in the constituency of Kindersley was Jason Dearborn. Jason was the youngest candidate and his youth will certainly bring a new perspective to the Saskatchewan Party caucus should he win the by-election.

Mr. Speaker, the Saskatchewan Party caucus fully supports Jason and we are confident, very confident, that he will find his way into the Saskatchewan legislature very soon.

Some Hon. Members: Hear, hear!

International Working Persons' Day

Ms. Jones: — Thank you, Mr. Speaker. Mr. Speaker, today is May 1, the day when we normally get serious about celebrating the arrival of spring. But with our current weather we'll have to put that on hold for a couple of days.

Fortunately there's another better reason to celebrate May 1, or May Day as it's called. This is a special day for working people around the world — the International Working Persons' Day.

Mr. Speaker, many people are under the impression that May Day began as a foreign holiday, a holiday co-opted by that soviet empire that the member from Wood River spent his productive life opposing.

It's true that the day is widely observed in Europe, but the fact

is its origins are right here in North America. In its beginnings May Day was a celebration of a workers' struggle against the Pullman rail car company in the 1880s, a struggle that ultimately led to the establishment of the eight-hour working day — a move I am sure that the member from Redberry Lake marks as the beginning of the decline of Western civilization.

On this day, Mr. Speaker, I, and I know all members — well at least all members on this side of the House — will want to salute the struggles and the accomplishments of working people around the world in the never-ending quest for equal rights, fair pay, fair play, and social justice. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Soldier Wounded in Afghanistan Returns Home

Mr. Hart: — Thank you, Mr. Speaker.

The Speaker: — Order, please. Order, please. Order.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, last night nearly 400 people jammed into the Cupar town hall to welcome home MCpl Curtis Hollister. The walls of the halls were covered with banners that the students of our school prepared for the special occasion.

During the short program which included welcome home greetings from a number of community leaders, Curtis thanked everyone for their support and well wishes. He then asked if there were any questions. For more than one-half hour Cpl Hollister answered questions from young and old ranging from, what kind of gun do you carry, to, what do you remember of the bomb dropping?

In answer to the latter, Curtis said he remembers seeing a flash behind him then literally swimming through the air, which seemed to go on forever and eventually landing in a ditch. He doesn't know why he was spared and others near him weren't, but he suspects that his guardian angel today is wearing a lot of shrapnel.

Curtis was very happy with all the medical treatment he received from the Canadian medics and the American doctors. The only complaint he had was the fact that the medics cut off all his clothes and he's going to have to get a new uniform before he returns.

MCpl Hollister told the hometown crowd that he was very anxious to return to Afghanistan and he said, I've got a mission to complete and comrades to support.

Mr. Speaker, MCpl Curtis Hollister is a soldier that the community of Cupar and all citizens of Saskatchewan can be very proud of. Military personnel of his ability and dedication should make all Canadians very proud of our armed forces. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Income Tax Forms

Mr. Yates: — Mr. Speaker, today is the first day of May. The

day after the day of no return — or in plain speak, Mr. Speaker, the day after the deadline for filing our tax returns.

I filed mine and I saw on TV last night that the Minister of Finance has already filed his. And, Mr. Speaker, I saw on the TV that Saskatchewan taxpayers found it a great deal easier this year to file their taxes than in previous years — and for two reasons, Mr. Speaker.

First, according to the respected and non-partisan tax expert, Wayne Mantyka of CTV News, this year's tax form is much more simple. The Finance minister has removed a number of taxes that have been on the books, some for as many as 30 years. The high-income surtax is gone, the flat tax is gone, the debt reduction surtax is gone, and as the movie says, gone with the wind, Mr. Speaker.

But the main reason filing is easier this year is that the Saskatchewan taxpayers are not paying . . . oh not only paying fewer taxes, but they are paying less taxes, Mr. Speaker. As professor Mantyka pointed out, by this time next year when all tax decreases and tax eliminations are complete, taxpayers will be paying about \$430 million less in income tax than they would have if these changes had not been put in place.

That's two very, very good reasons for a May Day celebration, Mr. Speaker.

Some Hon. Members: Hear, hear!

Alberta/Saskatchewan Water Agreement

Mr. Hillson: — Thank you, Mr. Speaker. Under existing agreement Saskatchewan is entitled to one-half of the total water flowing out of Alberta. Notwithstanding this agreement, in the year 2000 only 10 per cent of the Bow River reached its confluence with the Oldman to form the South Saskatchewan.

In 2001 none of the Bow River entered the South Saskatchewan. The city of Calgary, the eastern irrigation district, and the oil fields took up the entire flow. Now there is a proposal for three gas-fired generators to supply Calgary. The proposals do not include water reclamation so the entire water required for coolant will be lost in steam.

The Oldman River presently has one major reservoir. There are proposals for a further 14 reservoir sites. If these go ahead the Oldman, like the Bow, will simply peter out and never reach the South Saskatchewan. This would leave the Red Deer River as the sole contributing source of the South Saskatchewan.

We need to be firm. After the finding of the recent North Battleford Water Inquiry that the Saskatchewan government was negligent and indifferent to its responsibilities, we can only hope they do a better job of protecting our interests on this one. Otherwise the Alberta premier who once suggested that Ontario be left to freeze in the dark, may leave Saskatchewan to choke in the dust.

SIASST Graduation, Palliser Campus

Hon. Mr. Hagel: — Thank you, Mr. Speaker. Mr. Speaker, on Saturday I attended the SIASST (Saskatchewan Institute of

Applied Science and Technology) Palliser Campus graduation with nearly 1,000 students and a broad . . . graduating from a broad range of trades in the business and technologies, as well as basic education.

Mr. Speaker, 93 per cent of SIAST graduates are working within six months of graduation and they're staying and working right here in Saskatchewan. In Moose Jaw alone, graduates are finding good quality jobs that utilize their talents and add to their refinement as young professionals. Employers such as Saskferco and the recently built Temple Gardens Mineral Spa are just a couple of the places graduates set their sights on for employment.

In many of the SIAST programs students begin training in jobs prior to graduation. This provides them work experience and skills in concert with their education that make them highly sought at . . . sought after in our province.

In fact, Mr. Speaker, Palliser Campus was a Canadian pioneer in co-op education. Consequently, it's not uncommon for many students to have a job ready and waiting the day that they graduate.

Mr. Speaker, I'm sure that all members of the House wish to join me in extending congratulations to the 2002 class of SIAST Palliser Campus.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Support for Agriculture

Mr. Hermanson: — Thank you, Mr. Speaker. My question is for the Premier. Details contained in the US farm Bill announced late last week are now being realized and that they will have a huge impact on Saskatchewan agriculture. Today the Saskatchewan legislature will debate an emergency motion calling for several members of the federal Liberal cabinet to visit this province, listen to the concerns of our agriculture community, and explain their plans to deal with this issue.

Mr. Speaker, the Saskatchewan Party will second and support this motion. But we will also propose an amendment asking that federal Finance Minister Paul Martin be added to this list of federal cabinet ministers asked to visit this very Assembly. After all, Mr. Speaker, he's the one with the money in Ottawa.

My question: will the Premier and members of the government support this amendment?

Hon. Mr. Calvert: — Mr. Speaker, I'm appreciative of the opposition's willingness to support us in the emergency resolution that we have brought to the House today. We have all seen the major headlines in our daily papers today. I quote from *The Leader-Post* headline which reads, "Bad news for farmers" referring to the trade subsidy Bill of the United States and the implications on Saskatchewan and Canadian producers.

In my view, Mr. Speaker, this headline is a bit erroneous. This

is bad news for Saskatchewan — it's not just bad news for our farm families — this is bad news for Saskatchewan. I'm very appreciative of the opposition leader and the opposition caucus being willing to support us in this emergency debate.

And to the Leader of the Opposition's question about the friendly amendment to call upon the federal Minister of Finance, we absolutely agree.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. I thank the Premier for that support.

Mr. Speaker, the agriculture industry in Saskatchewan has experienced difficulty because of circumstances beyond its control such as severe weather and, in particular, international subsidies that have driven commodity prices down. But farm families in this province have also been hit hard by the fact that the NDP tore up the GRIP (gross revenue insurance program) program 10 years ago and haven't replaced it as they promised they would.

Mr. Speaker, the NDP have also increased property taxes, energy costs, and most recently crop insurance premiums. Maybe Saskatchewan agriculture would be more resilient in the face of the US farm Bill if the NDP hadn't destroyed or weakened . . .

(14:00)

The Speaker: — Order, please. Order, please. I would just ask members to refrain from interrupting the person who is in the chair with the loud comments.

Mr. Hermanson: — Thank you, Mr. Speaker. I was saying maybe then that Saskatchewan agriculture would be more resilient in the face of the US farm Bill if the NDP hadn't destroyed or weakened our farm safety net programs and increased farm input cost.

Yes, Mr. Speaker, the federal government needs to come to the defence of Saskatchewan farm families affected by the US Bill. But we ask the Premier, what is the NDP compare . . . prepared to contribute in defence of Saskatchewan farmers?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I can understand why the member from Kindersley moved off this issue so quickly, Mr. Speaker, because the member from . . . the member from Rosetown-Biggar — sorry, Mr. Speaker — the member from Rosetown-Biggar, the Leader of the Opposition, I know why he's moved off the trade injury piece so quickly, Mr. Speaker.

He's moved off the trade injury, Mr. Speaker, because that member is on record, Mr. Speaker, when he served as a Member of Parliament for the Reform Party — when he was a member from parliament for the Reform Party. And that member, Mr. Speaker, is in record saying that he doesn't support, he doesn't . . .

The Speaker: — Order, please. Order, please. Order, please.

Once again would ask the members to refrain from interrupting with loud comments.

Hon. Mr. Serby: — Mr. Speaker, that member is on record saying that he doesn't support subsidies to Saskatchewan farmers, Mr. Speaker. And what's happened in this country . . .

The Speaker: — Order, please. Order, please. The refrain from loud comments should last at least longer than 5 or 10 seconds.

Hon. Mr. Serby: — The Leader of the Opposition, Mr. Speaker, is opposed to subsidies. He's opposed to providing trade injury support, Mr. Speaker, to Saskatchewan producers. And I say to the member opposite, you are the only . . .

The Speaker: — Order, please. Order, please. I would ask the Minister of Agriculture to continue with his remarks and address them through the Chair.

Hon. Mr. Serby: — I say, Mr. Speaker, that the Leader of the Opposition, he is the only individual and his party in Canada today, Mr. Speaker, who is saying that the federal government shouldn't be involved in supporting Saskatchewan Canadian farmers. He's the only guy that's offside, Mr. Speaker. The only guy that's offside.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. The Minister of Agriculture was having a great deal of difficulty stating his comments simply because what he was stating was not true and the record bears that out.

Mr. Speaker, what the record does indicate is that the NDP's own quarterly polling shows that Saskatchewan people don't believe that their government, the NDP, has done enough for the agriculture sector. It's the second most important issue to Saskatchewan people, yet over 70 per cent of the people polled — both rural and urban — believe that the NDP had not done enough for farm families.

These people were polled in January; that's before the NDP slashed crop insurance coverage, hiked crop insurance premiums, and cut the agriculture budget. And now the NDP expects Saskatchewan farm families to believe that they are concerned about how the US farm Bill will affect them.

The old saying goes — with friends like these, who needs enemies?

Mr. Speaker, will the Premier stand in his place and explain why he thinks that the federal government will take action — which I believe they should — but why would they take action when the NDP government of this province has cut its own agriculture budget?

Hon. Mr. Serby: — Mr. Speaker, I hear the Leader of the Opposition now doing a one eight. Today, today the Leader of the Saskatchewan Party, Mr. Speaker, now says that he's now going to be supporting the federal government in their . . . and Saskatchewan producers, Saskatchewan farm organizations, and Canadian organizations, and the Canadian Federation of Agriculture for additional money, Mr. Speaker.

But I want to find out from the Leader of the Opposition, from the Saskatchewan Party, I want to find out from him, Mr. Speaker, his member, the agriculture critic, that is deputy member of agriculture from Watrous said to us in February, we're going to see for Saskatchewan people from our party, is what he said, we're going to see a document on agricultural policy for Saskatchewan, Mr. Speaker. And that was in February of this year.

And I want to say to you, Mr. Speaker, that agricultural policy that the Saskatchewan Party said that they were going to be putting together, I expect right now is with the real leader of the Saskatchewan Party — out working in the field at Kindersley, Mr. Speaker, is where that . . .

Some Hon. Members: Hear, hear!

Increase in School Taxes

Ms. Draude: — Mr. Speaker, I don't think . . . the Minister of Agriculture's trying to deflect what his government hasn't done for farmers onto these people. You've been in government for 10 years.

The Speaker: — Order, please. I remind the member to direct all her remarks through the Chair.

Ms. Draude: — Yes, Mr. Speaker, my question is for the Minister of Learning. Last night the Saskatoon Public School Board unanimously approved a 2.7 per cent increase in education taxes for property owners in that city. In spite of that tax increase, the board will still be cutting 15 teaching positions and 6 administrators from their system.

Mr. Speaker, the NDP cut \$5 million of the Saskatoon Public School Board's budget this year, forcing the board to cut educational programs and teachers and to increase property taxes for people in that city.

Mr. Speaker, why did the minister and the NDP reduce education funding to the point that teachers and programs have to be cut right across this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Mr. Speaker, again the members opposite have not got their facts correct. So I'm just going to put the facts forward.

In the most recent budget the Department of Learning had an increase of 7.2 per cent on its budget, Mr. Speaker. And I want to point out with regard to the Saskatoon public board that in 1999 their provincial grant was a little over \$34 million. Today it's over \$40 million, Mr. Speaker — an increase of 16 per cent.

And as I've said all along in this House and in this Assembly, Mr. Speaker, that we cherish the roles of boards of education in making decisions for their students and their stakeholders in their communities. And they have tough challenges but we have increased the funding to that board 16 per cent in the last three years, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — . . . reason why the minister cherishes their role is because he . . . they're taking the blame for what this government isn't doing. They're having to increase property taxes.

Mr. Speaker, the people of Saskatoon aren't the only ones that are . . . be hit with an . . .

The Speaker: — Order, please. Order, please. Please allow the question to be put.

Ms. Draude: — Mr. Speaker, the people of Saskatoon aren't the only ones that are going to be hit with an education tax increase this year. Both the public and the Catholic school boards in Regina have announced their budgets will hold a 1 per cent tax increase for property owners. And yet they're going to be forced to cut 23 teachers from their public system.

In the 2002 budget the NDP cut \$12 million out of the operating grant of education budgets. And now school boards — not just in Saskatoon and Regina but right across Saskatchewan — are having to raise taxes, they're having to cut programs, and they're having to lay off teachers.

Mr. Speaker, why is the NDP compromising education in Saskatchewan by downloading the cost of education onto property taxpayers and forcing school boards to cut programs?

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — You know, Mr. Speaker, this argument about off-loading to the property tax base is incorrect. When we have . . . When we put out . . . put forward our operating grant budget in 1999, there was \$397 million going into our operating grant. Today it's close to 480 million. We've had an \$80 million increase in just three years.

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — And those members opposite have the gall to get on their feet and talk about off-loading.

Well I'll tell you where the off-loading would have come from, Mr. Speaker, right from here — the Saskatchewan Party's platform that promised to freeze spending on education. This platform should have said — should have said — the frozen . . .

The Speaker: — Order, please.

Some Hon. Members: Hear, hear!

The Speaker: — Order, please. While it's quite appropriate in the Assembly to refer to articles, it is not appropriate to use the articles as an exhibit. I would like to bring that to the minister's attention.

Order, please. Order, please. Order.

Ms. Draude: — Mr. Speaker, now we have the minister trying to deflect the blame to somebody else. It's this government that's doing the cutbacks; it's nobody on this side of the House. It's their decision and their priority.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, I think we should outline what this province is facing. We have thousands of people leaving the province because after NDP government for 10 years we have people leaving the province. That means we have declining enrolments and a shrinking tax base. That in turn leads to education tax increases for property owners and job losses for teachers. It means program cuts and it means a larger student-to-teacher ratio in the province.

Mr. Speaker, the provincial economy is suffering because of this NDP, and now the education system is suffering because of the NDP. It's all a result of this NDP's failure to grow Saskatchewan.

Mr. Speaker, why is the NDP not taking action to stop the loss of teachers, to stop the loss of programs, and to stop students from leaving this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — Mr. Speaker, when we talk about our support for the K to 12 education system in this province, it has been impressive. We've had over \$80 million. We've seen our pre-kindergarten spaces increase by 80 per cent. We've more than doubled our community schools, Mr. Speaker. And we have provided increased dollars to boards of education where they have had enrolment increases.

And I must say that even though we've had a 16 per cent increase for Saskatoon public in the last three years, Mr. Speaker, they have seen an enrolment decline of 600 last year and 209 this year.

But guess what? We are seeing enrolment increases in our band schools. We are seeing enrolment increases in our independent schools.

And when you look at the number of children in our K to 12 system, we have just as many children in the system today as we had 10 years ago, Mr. Speaker. And they are staying in this province. And we are very happy to support education in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

SaskTel Investments

Mr. Wall: — Thank you. Thank you, Mr. Speaker. My question is for the minister responsible for Crown Investments Corporation.

Mr. Speaker, the NDP has now invested \$20 million in a dot-com called Retx.com based in Atlanta, Georgia. It appears, Mr. Speaker, that SaskTel's share of Retx's losses is about \$5.7 million last year. We don't know for sure, Mr. Speaker, because the government refuses to table a statement in this legislature and report to the taxpayers on this particular investment.

It would appear then, Mr. Speaker, that the current losses bring the total losses over two years that taxpayers have incurred — thanks to the NDP — to \$7 million.

So the question to the minister is this, Mr. Speaker. Why has he still not tabled or released any statement reporting to the taxpayers about this investment? And while he's on his feet, Mr. Speaker, would he tell the taxpayers why the NDP lost \$7 million to date on a dot-com in Atlanta, Georgia?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. I think when we issued the order in council around the investment in Retx, we made it fairly clear that in the start-up years, it would not be unexpected for that investment to lose money. As in many, many private sector companies, Mr. Speaker, there are start-up costs. And in the first year or two, it's very common that you would lose money. It's very clear, Mr. Speaker, though that SaskTel has a record that is impressive.

And I want to refer, Mr. Speaker, to *The Globe and Mail* April 11, 2002 of this year, Mr. Speaker, that says:

Canada's 100 largest pension funds lost money last year for the first time in 22 years . . .

In the private sector, Mr. Speaker, Canada's 100 top pension funds lost money in 2001. You compare that to what our Crowns did in 2001, Mr. Speaker; they had a tough year, but with SaskTel, Mr. Speaker, they had an impressive year.

Mr. Wall: — Mr. Speaker, Mr. Speaker, the only reason that SaskTel can claim any success at all is attributable to its core function, Mr. Speaker. What we're going to show today is where they get into . . .

The Speaker: — Order, please. Order, please.

(14:15)

Mr. Wall: — Where they get into trouble, Mr. Speaker, is when they get into these out-of-province investments like dot-coms in Atlanta, Georgia, Mr. Speaker.

Mr. Speaker, Retx wasn't the only US-based dot-com that the NDP lost money on last year. They also spent \$3.8 million on a company called *tappedinto.com* based in Nashville, Tennessee. SaskTel lost nearly a million dollars on this investment last year, according to the information we can glean from the annual report.

Would the minister please stand in his place and explain the reasons for this loss? Would he report to the taxpayers why he lost a million of their dollars on a dot-com in Nashville, Tennessee?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. It's very clear that this member's attack on our Crown corporations has one objective and one objective only — that is to so discredit the Crowns so that if they ever became government, Mr. Speaker, if they ever became government, it puts them in a position to be able to sell our Crowns, Mr. Speaker. That's exactly his position.

I have one question for that member who goes around the province, Mr. Speaker, talking about if he became government, if that party became government, that they would restrict our Crowns to core operations. My question is: tell this House and tell the people of Saskatchewan what those core operations are?

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, should that member, should that minister and that member, squeak out an election victory in the next election, he will have ample . . .

The Speaker: — Order, please.

Mr. Wall: — He'll have ample opportunity to ask all the questions he wants from this side of the House, Mr. Speaker, because that's where he's going to be.

Mr. Speaker, the NDP, the NDP has lost . . .

The Speaker: — Order, please. Order. Order, please.

Mr. Wall: — Thank you, Mr. Speaker. The NDP has also lost millions of dollars in a company called Craig Wireless International which operates in BC (British Columbia) and Manitoba. Again, according to what information you can glean from the annual statement of SaskTel, the NDP has now spent \$10 million taxpayers' dollars on the company and they have racked up losses of nearly \$6 million. That's 60 per cent of the original investment.

We'll give the minister a chance to stand on his feet today, Mr. Speaker, and explain to the taxpayers of the province of Saskatchewan about the 6 million of their dollars that he lost on Craig Wireless International.

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Talk about a question, Mr. Speaker, that is right off the wall. Mr. Speaker, I want to quote from *The Leader-Post*, Mr. Speaker, from an article of April 26. And I know Murray Mandryk when he quotes me, quotes me very accurately, so I'll try and quote him accurately, Mr. Speaker. In reference to SaskTel, Mr. Speaker, he says:

So why does the Saskatchewan Party want to mess with it (referring to SaskTel)? Why would a Saskatchewan Party government take a Crown that appears to know what it's doing and restrict its ability to do what it does best by forbidding CIC from making any non-core investments (Mr. Speaker, such as Retx, Mr. Speaker)? Coming from the party that purports to speak from the perspective of the business community, isn't this a bit strange?

I couldn't have said it better myself, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, we'll have a chance to ask that revered columnist his opinion later on after question period. Right now, we'd like the minister to answer some questions frankly for the taxpayers of the province.

Mr. Speaker, the NDP has lost over 7 million taxpayer dollars on its dot-com in Atlanta. They lost nearly a million on their dot-com in Nashville. They lost 6 million on Craig Wireless International. They lost \$2.5 million on Navigata. That's a BC telco they bought last year with taxpayers' money.

And the value of their shares on the Australian stock market in their Australian stock market play have dropped by \$40 million. In fact it looks like all of SaskTel's out-of-province investments lost money last year.

Can the minister explain how these investments grow the province of Saskatchewan? Will he explain to the House, Mr. Speaker, how they help SaskTel provide services in the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well I absolutely will explain it. I've explained it many, many times.

I want to say first of all though again — I hope the people of Saskatchewan are listening carefully — when that member chooses to avoid the question that I ask about him defining for us what are the core functions of those Crowns, Mr. Speaker, especially SaskTel . . .

The Speaker: — Order, please. Order. Order, please. Order, please.

Hon. Mr. Sonntag: — Mr. Speaker, if he doesn't want to answer that question in this Assembly, I ask him and I plead with him to please answer the question outside of the Assembly for the people of Saskatchewan because those are the people that really want to know the answer to that question. What functions of our Crowns does that member intend to sell off, Mr. Speaker? What would he sell off, Mr. Speaker?

Mr. Speaker, the answer to the question is very simple. We invest inside of the province. Roughly 85 per cent of the investments that we make are made here in Saskatchewan, Mr. Speaker. The other 15 per cent of the investments are made around Canada and outside of Canada, Mr. Speaker. We make those investments to return revenues to the province to provide services in the constituencies that they represent, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, the minister continues to claim that these investments generate money for SaskTel. Will it give the minister the chance to table to this legislature or release to the public an assessment over the last five years or the last ten years if this is true.

I bet we will find, Mr. Speaker, that there's one particular deal that allows them to even come close to making that kind of a claim, and all these other ones have lost the taxpayers money. All these other ones have cost SaskTel the resources they need to bring telephony to the province of Saskatchewan, Mr. Speaker.

Mr. Speaker, in the last two years, Retx in Atlanta, Georgia; *tapped into* in Nashville Tennessee; Craig Wireless

International, and Navigata Holdings have all been the investment targets of this particular government of the NDP. They've invested 48 million in these four companies in the last two years. And between the four of them, they've racked up losses of nearly 17 million taxpayer dollars — 48 million taxpayer dollars gambled, 17 million lost.

Will the minister tell the Assembly how that grows the province of Saskatchewan and how it allows SaskTel to provide service in the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Well, Mr. Speaker, this just does not make any sense at all. I don't know where that . . . I don't know where that comes from, Mr. Speaker.

Mr. Speaker, Mr. Speaker, I say to that member, when I gave that member a cigar the other day to smoke, I didn't mean for him to smoke the whole darn thing all at once, with the logic of that question, Mr. Speaker.

Mr. Speaker, when that member, when that member was asked the other day when we tabled the annual Crown reports . . . when we tabled the annual Crown reports the other day, Mr. Speaker, he chose to list off some of the investments that were losing money in the first year, Mr. Speaker.

But when pressed as an example — as an example, Mr. Speaker — when pressed, he forgot to include the \$51 million profit that the NewGrade investment made, Mr. Speaker. The profit that it made, Mr. Speaker.

And I quote, Mr. Speaker, and here's what . . . and when he was pressed, Mr. Speaker, here's what he said, and I quote. He said:

Oh (he says) if it's not on the list, then I guess it should be.

Mr. Speaker, you can't have it both ways.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 39 — The Prescription Drugs Amendment Act, 2002

Hon. Mr. Nilson: — Mr. Speaker, I move that Bill No. 39, The Prescription Drugs Amendment Act, 2002 be now introduced and read for the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

PRIORITY OF DEBATE

Impact of Proposed US Farm Bill on Canadian Farmers

The Speaker: — Before orders of the day, members of the Assembly, I have received a request from the Minister of Agriculture pursuant to rule 19, a request for priority of debate. And before I rule on this request, I would invite the minister to state briefly the nature of his request.

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. We make the request, Mr. Speaker, on this side of the House along with members from the official opposition and because, as you can appreciate, just recently there has been a decision made around the new US farm subsidy Bill.

And, Mr. Speaker, this new farm subsidy Bill will bring to Saskatchewan producers and Canadian producers, in our view, a great deal of hardship as they attempt to compete in the world marketplace with commodities of which today we're trading internationally.

And the kind of hardship that we're talking about this afternoon . . . we'd like to talk about this afternoon, Mr. Speaker, is to identify two things. One is that the role that needs to be taken on the part of the federal government to assist us in dealing immediately with the issues as they relate to the new farm Bill. And secondly, to state unequivocally the process of which we'd like to use to engage the federal government in the process.

The Speaker: — I thank the minister for that clarification.

Members of the Assembly, this morning the Minister of Agriculture, Food and Rural Revitalization provided notice for priority of debate to the Office of the Clerk, as is required under rule 19(2). The notice was distributed pursuant to the provisions of the rules.

Having reviewed the case made by the minister, I'm now prepared to rule on the matter.

The object of the priority of the debate request is expressed by the minister's proposed motion, which is to call various federal ministers to appear before the Assembly by May 24, the year 2002, to hear and respond to concerns of Saskatchewan producers.

Under rule 19, it is the Speaker's responsibility to determine whether the matter should receive urgent consideration. The question is whether the matter is sufficiently urgent for the Assembly to set aside all other business to discuss this matter presently. Rule 19(5) states in part that the Speaker should pay:

. . . regard to the probability of the matter being brought before the House within reasonable time by other means.

As a minister of the Crown, the Minister of Agriculture, Food and Rural Revitalization does have opportunity to have this motion come before the Assembly within two sittings after providing notice. If notice was given today as a government motion, it would appear on the order paper this Friday, May 3 ahead of government orders.

As I have stated, under rule 19(5) the Speaker is obliged to pay regard to an opportunity to bring the matter before the Assembly in a reasonable period of time by other means. Although this request does meet the requirement of being a matter of urgent public importance, the ability of the minister to bring this motion before the Assembly within the next two days is an overriding factor.

Therefore given that there is an alternative means for this matter to be raised by the minister in a reasonable time, it is the

Speaker's decision not to grant the request for priority of debate under rule 19.

Why is the member on his feet?

Hon. Mr. Serby: — Mr. Speaker, by leave of the Assembly, I'd like to move a motion of urgent and pressing necessity under rule 46.

Leave granted.

MOTION UNDER RULE 46

Impact of Proposed US Farm Bill on Canadian Farmers

Hon. Mr. Serby: — Well thank you very much, Mr. Speaker, and I very much appreciate the opportunity this afternoon to outline the rationale and the work that's been undertaken over the last number of years in addressing a very important issue to Saskatchewan producers in this province, Mr. Speaker, and for that matter Canadian producers.

There is no doubt, Mr. Speaker, that the US farm Bill will have a very severe negative impact on Canadian producers, and if signed into law by the US President, the farm Bill . . . And I'd like to outline, Mr. Speaker, three or four issues that in fact would be the result of the signature of this kind of a Bill.

First of all, Mr. Speaker, it would promote overproduction of US grains, oilseeds, and pulses, and further depressing the world markets in these areas and having a significant detrimental impact on the incomes of Canadian producers, and more importantly, Mr. Speaker — or as important — our Saskatchewan producers right here at home.

Secondly, Mr. Speaker, this Bill would further distort the artificial low US feed prices that will hurt the competitive advantages of our livestock sector and other value-added industries.

(14:30)

And thirdly, that the country of origin labelling provisions will distort the trade of livestock across Canada and US border and negatively impact on the trade of . . . in livestock and livestock products. And fourthly, Mr. Speaker, that the . . . this Bill would also damage any credibility the US had in terms of pursuing trade liberalization objectives through the next round of WTO (World Trade Organization) negotiations and would severely impact the ability of the WTO negotiators to make the real progress through the . . . (inaudible) . . . around of negotiations.

Mr. Speaker, on this side of the House for the past two years since I've had the opportunity to serve in the capacity as the Minister of Agriculture, we have attempted on several fronts to take this issue to Ottawa, to other parts of the world through our tri-national negotiations to try and bring some semblance and reason and rationale to both our federal government and to our US counterparts and our friends in terms of the impact that this particular piece of legislation . . . or this has, that the trade distortions have, on our Canadian Saskatchewan farmers in particular.

Mr. Speaker, I want to go through a short sort of preview of the kinds of things that we've been working on since the year 1999, where we started out with the Fredericton agreement of the 60/40 share and said to the federal government that the 60/40 share is simply not fair for Saskatchewan producers given that we compete internationally in a free trade marketplace and accordingly, our farmers are disadvantaged because they are competing in a marketplace today where US and European farmers get a cheque in the mail, where our Saskatchewan farmers by and large depend on the marketplace to support them.

And so we made a number of representations since the year 2000 and 1999 to today, Mr. Speaker, to try and encourage the federal government to understand the kind of position we were in.

And I say first, Mr. Speaker, in the spring of 2000 in this Assembly, we held an emergency debate where we called farm organizations and farm groups and farm leaders to this room and had a — to this Assembly — and had a detailed debate about how important it was for our national government to understand the kinds of pressures that our Saskatchewan farmers are facing and said to them in Ottawa that we need to have some sort of trade subsidization mitigation.

And we travelled to Ottawa, Mr. Speaker — this Assembly . . . members from this Assembly, from the opposition party, from the government, farm leaders, and farm organizations. And we made a case with the federal government in the year 2000 and highlighted for them the importance of making this change.

However, Mr. Speaker, what we got from that kind of debate and discussion were two things. One is that when we returned back to Saskatchewan and to each of our individual provinces, the federal government said to us, we're going to only provide funding to the safety nets that are in place today — for CFIP (Canadian Farm Income Program) and for crop insurance and for NISA (Net Income Stabilization Account) — and that there would be no money available, Mr. Speaker, for any sort of trade distortion or injury for Saskatchewan producers.

Of course then, Mr. Speaker, we took our plight to a variety of different other venues. In July of 2000 we took our plight to Saskatoon where we had the Mexicans and the Americans in our country at the Tri-National Accord. And there we spoke, Mr. Speaker, about the importance here of getting the trade subsidies out of the way.

And then in September of 2000, Mr. Speaker, we attended a convention and a conference in South Dakota of which we met with South Dakota and US farmers and farm organizations and leaders of which, Mr. Speaker, attended at that meeting was the Right Hon. Mr. Ralph Goodale who at that time was in charge of the Saskatchewan . . . the Canadian Wheat Board. And also at that meeting was Mr. Vanclief who represented Canada on the agricultural file.

And I remember vividly, Mr. Speaker, how Mr. Vanclief and also Mr. Goodale stood up in the debate in South Dakota and said to the American farmers and to the elected members of the US states in the north and in the central part of the country. And he said very passionately about how important it was for the

national government in the US to begin to reduce the subsidies because they were having a tremendous impact and providing . . . and tremendous hardship on Saskatchewan producers and Canadian producers was what both Mr. Vanclief and Mr. Goodale expounded in the meetings in South Dakota in September of the year 2000.

And then, Mr. Speaker, we went on to a number of other events from 2000 onwards. And I won't list . . . go through them individually in any detail, but to say to you that in the spring of 2001 at the Ag ministers' meeting in Quebec City, this ministry and our department and our government made a representation to see that we have trade distorting subsidies included in our discussions for farm safety net money for the future.

In the spring of 2000, Mr. Speaker, we had asked at the WTO update, Mr. Speaker, we asked that the federal government include in their discussions at the WTO table a reduction in the amount of subsidies that are being provided to American and European farmers in order that our Canadian and Saskatchewan producers would be able to compete fairly.

And then, Mr. Speaker, in the spring of 2001, we went to Washington. Canadian representation of western ministers and the federal government attended with us and we made a presentation to the federal government . . . or to the national government in Washington indicating to them the importance of not proceeding down this path. Face to face with American leaders, American farm groups, saying to them the kinds of hardships, Mr. Speaker, that this would bring about for us.

And then of course in June of 2001, Mr. Speaker, we went to the Standing Committee on Agriculture in Ottawa. This minister and our department folks and the member from Kindersley at that time, we travelled to Ottawa and we made a presentation to the standing committee in Ottawa at that time.

And some of the key highlights, Mr. Speaker, of that discussion to the standing committee were the argument that we made regarding the subsidies. And I quote, Mr. Speaker, what we said at that meeting. We said, under the heading of "What Do Saskatchewan Farmers Want?", Mr. Speaker. We said:

(The) Saskatchewan farmers want an opportunity to compete in (a) world . . . (market) based on a level playing field and fair . . . rules. In this type of . . . environment, current safety net and disaster programs will be more effective for grain and oilseed producers (Mr. Speaker).

And then we said:

. . . in the meantime, Saskatchewan farmers want . . . (the) commitment that (the) government will help . . . (to) compete against the treasuries of the US and the EU.

And, Mr. Speaker, at that meeting, at the Standing Committee on Agriculture, which was on June of 2001, the member from Kindersley and the opposition party supported us in that representation, Mr. Speaker, and said that we needed to see the subsidies removed and that we needed some sort of mitigation, Mr. Speaker.

And then of course, we met later that day with the standing

committee, Mr. Speller, the Standing Committee on Agriculture, which is the Prime Minister's standing committee. And we made a presentation to them at that time highlighting the importance of removing the subsidies.

And then we went on, Mr. Speaker, in June of this past year or the June of 2001, where we met in Whitehorse at which we put together the agricultural policy framework for Canada, where we talked about at that meeting, Mr. Speaker, the importance of the five different pillars that we're going to have for use for Canadian policy in agriculture.

And what we said at that time, Mr. Speaker, is that if in fact we're to move towards having a new Canadian agricultural policy what will be required here is will be required some additional money to mitigate or to offset the trade injury for the US subsidies that are being provided today. And that's been our position all along, Mr. Speaker, that we should see in this country, in this province, some mitigation to the fact that we have a US subsidy today in place.

Then, Mr. Speaker, in October of 2001, our Premier met with the premiers across Canada in the first ministers' meeting. And he provided at that time, Mr. Speaker — and I know that this Assembly has had an opportunity to see the report — but the report to the premiers and it's called *A Fair Deal for Canadian Farmers*, Mr. Speaker, which was submitted in October of 2001.

And this document, Mr. Speaker, speaks to the notion and to the effects of what subsidies are doing in the European and the US marketplace and the kinds of impact that these subsidies are having for our Saskatchewan and our Canadian farmers. And we put that document forward, Mr. Speaker, in October of 2001, and have requested that the federal government respond in a fashion that would provide into the future mitigation or some injury relief for our Saskatchewan farmers.

And then, of course, what happened, Mr. Speaker, right after our Premier submitted the report, we had a federal budget in the fall of 2001. And as we all know, Mr. Speaker, in that federal budget, there was absolutely not one additional penny for Saskatchewan or Canadian farmers. They froze the funding, Mr. Speaker, at the rates of 2001, saying to us that there's going to be no new funding for Canadian/Saskatchewan farmers until some time in 2003.

And then, of course, in 2002, Mr. Speaker, we met again in Toronto, very specifically on the call of the Saskatchewan minister, to talk about the impact of trade injury. And we spent an entire day with the federal ministers and ministers across Canada, talking about the impact of trade injury as it relates to our Saskatchewan producers.

And then, of course, Mr. Speaker, this year we submitted our report or our document to the federal government, our position paper on the future of Saskatchewan agriculture, Mr. Speaker. And in our document we speak very clearly about having a crop sector individual program. And the crop sector program identifying itself to mitigation on subsidies, Mr. Speaker.

Now to date, we've heard from the federal minister — I know that the Minister of Finance has just recently returned from his

discussions in Ottawa . . . or Fredericton — and the response from the federal government, Mr. Speaker, is that there will be, at this point in time, no additional money to offset the kinds of difficulties that Saskatchewan and Canadian producers are facing.

And we have today Canadian organizations, farm organizations, we have farm leaders, we have all of the governments in Canada of agricultural ministers calling on the federal government unanimously. We have the Canadian Federation of Agriculture that's just released its report in context with the Canadian Wheat Growers Association saying that for Canada we should have a \$1.3 billion injury relief because of the subsidies that are occurring in the United States.

Mr. Speaker, our paper of this spring, in February of this spring, the Saskatchewan provincial government's paper on what the future of agriculture and the risk management package should look like called for a billion dollars of mitigation for Canada.

In that scenario, Mr. Speaker, our Saskatchewan producers would receive somewhere in the neighbourhood on the current formula 500 to \$600 million if that package was to address itself specifically based on the size of the industry. Based on the size of the industry Saskatchewan producers, Mr. Speaker, would receive somewhere in the neighbourhood of 500 to \$600 million of the package if we were to get the \$1.3 billion.

Today our net farm incomes in Saskatchewan, Mr. Speaker, because of the marketplace of which we compete in, is about 500 to \$510 million is what our projected incomes will be for this year.

If we were to receive the trade subsidy mitigation, Mr. Speaker, if we were to receive the trade injury, our net farm incomes today would go to somewhere about a billion dollars annually. And that's what our Saskatchewan farmers deserve. That's what our Saskatchewan farmers are working for, Mr. Speaker, to receive the same kinds of fair deal as our US farmers and European farmers are receiving.

And who, Mr. Speaker, should be responsible for that? The responsibility on negotiating the trade rules in Canada today are done by our federal government. And I want to say, Mr. Speaker — and on the record again today as I've been on many occasions on this front — that there is only one government that's responsible for trade injury. There's only one government that's responsible to ensure that there should be subsidy relief for our Canadian farmers, and that needs to be the national Government of Canada in the same way that it's the national Government of the US and the same way that it's the national governments of the European countries, Mr. Speaker. That's who should be responsible today for providing our farmers with some answers.

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, when I take a look at the federal government's position in terms of what they've been saying over the last six years or seven years, every time that they go to the World Trade discussions or they go to the NAFTA (North American Free Trade Agreement) discussions; they say to us, you just hang on, you Western Canadian

producers, you just hang on. What we're going to do is we're going to see the reduction of the European and the American subsidies is what they continue to tell us.

And, Mr. Speaker, we have . . . and we've just been hanging on on some fronts; we've just been hanging on. But more than that in this province, we've diversified our grain and grain sector and our pulse sector in a fashion which is unprecedented in North America.

Today in this province, Mr. Speaker, our Saskatchewan farmers are growing somewhere in the neighbourhood of 55 to 60 different crops. When if you look back to what happened in the past 15 or 20 years, you would . . . have a hard . . . you'd be hard-pressed to find half of those crops that would be produced in this province. Diversification in this province, Mr. Speaker, has happened in spades by our producers competing against an international marketplace which is subsidized, Mr. Speaker.

So today when we measure what's happened in the marketplace, what's happened with the subsidies by comparison, Mr. Speaker, I want to just share — and for the record — what's happened in the wheat, in the barley, and in the oilseed side, Mr. Speaker.

(14:45)

If you take a look at what the numbers were in the EU (European Union) in 1986, from 1986 to 1988, the percentage of subsidy on wheat, Mr. Speaker, was 52 per cent. The percentage in the EU countries in the year 2000 dropped to 43 per cent, down 17 per cent.

In the US, Mr. Speaker, over that same period of time, the subsidies were at 49 per cent in 1986, 1988. And the subsidies in the year 2000, Mr. Speaker, are 49 per cent. Exactly what they were in 1986. Haven't moved one iota on the wheat crop. And similarly, that comparison goes to barley.

When you look at what happened to Canada, Mr. Speaker, in that same period, 1986 to 1988, the Canadian subsidies were at 45 per cent on wheat. Today, Mr. Speaker, or in the year 2000, those subsidies were down to 17 per cent, Mr. Speaker, is what's happened.

Our federal government has encouraged the farmers of Canada to take their subsidy levels, remove the subsidy level, and compete in an international marketplace today where we're down by 62 per cent, Mr. Speaker. And that's the problem with this particular issue across Canada today and for our Saskatchewan farmers.

And then what we have, Mr. Speaker, today is a brand new farm Bill. A brand new farm Bill that doesn't remove the subsidies of which . . . in a way we see them today. And there is no intent here, Mr. Speaker, on the part of our US friends to reduce the subsidies. In fact they've taken our subsidies, Mr. Speaker, and they've grown them, based on the information that we have today. And what will that do, Mr. Speaker, when we look at what's happening in our farm economy?

Just a couple of days ago, I had a conversation with a farmer from Biggar who hauls some of his barley to the feedlots in

Alberta. And he says to me that as he arrived at the feedlot in Alberta which . . . where he's been hauling his feed now for several years, he gets to the feedlot and what does he find? Three trucks lined up ahead of him. And on every one of those trucks, Mr. Speaker, is a US licence plate hauling up subsidized American corn.

And I say, Mr. Speaker, that this is what our Saskatchewan and Canadian farmers are competing against. They're competing against a commodity, Mr. Speaker, today that's subsidized in the US, that's making its way up through the borders into Canada, into the . . . into Alberta, now into some of our feedlots in Saskatchewan.

So we have subsidized corn and subsidized commodity coming up to our country today when we're trying, Mr. Speaker, at the same time to build a new industry in agriculture, in livestock, in ethanol, Mr. Speaker. And if in fact, Mr. Speaker, we don't see a change in this particular focus of our national government, Saskatchewan and Canadian farmers are going to be hugely, hugely disadvantaged, and we'll see in this province that diversification that we've been working hard to achieve eroded in a hurry, Mr. Speaker. Eroded to the point where some of our Saskatchewan producers, Mr. Speaker, will need to abandon some of the hard work that they've done — will need to abandon that, Mr. Speaker.

And I say to, I say to you, Mr. Speaker, that this debate today in this Legislature and the message that we need to send our national government . . . And I very much appreciate, Mr. Speaker, the motion and the support that we've had from our opposition here, Mr. Speaker. Because as we've debated and discussed this issue over time, there has been reference and inference here, Mr. Speaker, about the strength and wisdom and the acceptance of our opposition party to participate in this issue.

Because, Mr. Speaker, from time to time — not today, Mr. Speaker — from time to time, Mr. Speaker, we've heard in the past, we've heard in the past, Mr. Speaker, that subsidies in Saskatchewan and subsidies to farmers are detrimental to the direction that we want to go. And I've heard that from time to time.

And, Mr. Speaker, I support that concept. I support that concept, Mr. Speaker, that subsidization of an industry, subsidization of an industry, Mr. Speaker, creates hardship on some fronts. And absolutely this holds true in Saskatchewan today in a fashion of which we've never seen it before. And so when I see today — and appreciate very much today, Mr. Speaker — the members opposite saying that we need to be part of this debate, we need to be part of this discussion, we need to set aside some of the partisan issues of which we've held in the past on this issue.

And I say, Mr. Speaker, and I have the document here that speaks and addresses today to the position that's been taken, Mr. Speaker, by the Canadian Alliance Party. And this is an important discussion, Mr. Speaker, because the Canadian Alliance in Canada has said on many occasions that they don't support subsidies in this country, Mr. Speaker.

And today we have the Canadian Alliance on record saying this,

Mr. Speaker. And this is important because, Mr. Speaker, this is important not only to this Assembly and to the people of Saskatchewan, but also it's important for our opposition, Mr. Speaker, because they need to stand beside agricultural producers, they need to stand beside farmers, they need to stand beside government today in a full-fledged fashion.

Because I've been part of an exercise in the past, Mr. Speaker, where in fact we've gone to Ottawa, we've had the debate, we've encouraged that Ottawa be on side and provide additional support for Saskatchewan farmers. And we weren't home for five minutes, Mr. Speaker, we weren't home for five minutes where we had members at those times — and maybe this is a different day, Mr. Speaker, maybe this is a different day, and I hope it is — but we weren't back in Saskatchewan for 10 minutes after our trek to Ottawa with the farm organizations and the leaders of the past, Mr. Speaker, and the opposition and they were on the front page of the newspapers, they were on the television sets, saying that we don't support this process.

And I say, Mr. Speaker, there is only one government today that's responsible for trade mitigation, and that government, Mr. Speaker, is at the national level.

And I appreciate the comments of the Canadian Alliance today where they say that in the year 2000, or the last election in the year 2000, they lost the election, Mr. Speaker, because they didn't support the subsidy structure which Canadian farmers were talking about. And their policy statement says today, led by Mr. Hilstrom, and I quote, he said:

Hilstrom pleads that the approved policy to support and use the safety-net programs to assist producers to struggle against the conditions outside of province, subsidies, be now included (Mr. Speaker).

So now we have the members from the Canadian Alliance, of which I know, Mr. Speaker, we have affinity on the other side of the House. And I make that point from that only perspective, Mr. Speaker, that we have affinity here.

And we need to make sure that as we proceed with the motion and we make our debates, and as we proceed to make our inclusion to have the national government involved in providing the mitigation, that we stand united on this piece, Mr. Speaker — that we stand united.

And I know that the members opposite will get up today and they'll speak in their places about how in fact they think that the Saskatchewan government should be a partner in providing some of the money to this. I know that I'll hear from that . . . that from them.

There should be no mistake, Mr. Speaker, that on this side of the House, the Saskatchewan government today provides to the farm economy 5 per cent of our budget to the agricultural file — 5 per cent, Mr. Speaker.

When you take a look at what's happening at the national level today, the national government provides to agricultural producers 1 per cent of its entire budget — 1 per cent, Mr. Speaker.

And when you take a look, Mr. Speaker, of what needs to happen in Saskatchewan . . . We need to grow our agricultural economy on many fronts, which we've identified. We need to grow the ethanol file; we need to grow the livestock file. We need to continue to grow, Mr. Speaker, the pulse industry in Saskatchewan.

But all of those things, Mr. Speaker, will be under tremendous hardship, and in some cases the advantage that the pulse industry has in our province today will disappear with the blink of an eye, with the blink of an eye, the minute that that document is signed, Mr. Speaker.

And that pulse industry that we've been growing, the new processors that we're in the midst today of developing just outside the edge of Regina here where you have a new Turkish company who are here who are going to split, Mr. Speaker, our peas, going to split our lentils, are going to ship it worldwide.

And this farm Bill, Mr. Speaker, if it passes or when it passes, and that kind of money makes its way into the subsidy regime, our pulse and lentil advantage that we have today in Canada, where we produce 97 per cent of the pulse and lentil in this country, will disappear.

And so I say, Mr. Speaker, to this Assembly, to this House, that we need to stand united. We need to call on our federal friends to advise for us and tell us, tell us fully, what they're prepared to do here, Mr. Speaker, to assist us.

Are they prepared to get engaged in the subsidies of which we're talking about? Are they prepared to provide the trade mitigation today that everybody in Canada is calling for? And even the endorsement of our opposition party in Saskatchewan today says they're part of that, Mr. Speaker. So now we have nobody in Canada who's not supporting the importance of getting this in place, Mr. Speaker.

So I want to conclude my comments, Mr. Speaker, on this notion. We've called on several occasions for the past two years for the national government to engage themselves; we've called on the national government to move forward and to provide the trade injury support that we need.

And today we're calling on the federal government to make their way to our province — to make their way to our province and to state to the producers of Saskatchewan, and to the governors of Saskatchewan, and the policy-makers of Saskatchewan, whether or not they're prepared, Mr. Speaker, to pony up the kind of support that is necessary for the future of this industry.

And so today, Mr. Speaker, I want to provide for the Assembly the notice of motion, and I'll find it in a minute, Mr. Speaker, because I know that it's in my package here. I want to say, Mr. Speaker, that I call today on the federal government . . . The motion is:

That this Assembly call on the federal Minister of Agriculture, the federal Minister responsible for the Canadian Wheat Board, and the federal Minister of International Trade to appear before the Assembly on May 24, 2002 to hear and respond to our concerns and the

concerns of the Saskatchewan producers in regards to the devastating impact of the new US farm Bill.

The motion, Mr. Speaker, is by personally the member from Yorkton, seconded by the member from Watrous.

And I so submit, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member from Regina Fort . . . Qu'Appelle on his feet?

Hon. Mr. Wartman: — Thank you, Mr. Speaker. With leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wartman: — Thank you, Mr. Speaker, and members, for that leave. I wouldn't normally take time to introduce guests during an emergency debate like this, but I would like to introduce two guests who are with us in the gallery today who have been strong fighters for producers' rights over many years, worked hard on this front — the president of the Farmer Rail Car Coalition, Sinclair Harrison, and technical adviser for the Farmer Rail Car Coalition, Jim Robbins.

And they are continuing in their struggle to try and get the federal government to support producers in this province by encouraging, struggling to get them to turn over the 13,000 federal hopper cars. So we thank them for their work and welcome them to this emergency debate.

Hon. Members: Hear, hear!

MOTION UNDER RULE 46

Impact of US Farm Bill on Canadian Farmers

Ms. Harpauer: — . . . to join in this debate today and second the motion by the Minister of Agriculture.

It's been a difficult number of years for the producers of this province. Part of the difficulty is getting people to understand why agriculture has gotten to where it is and why it seems to be in a crisis situation. And I think people are starting to understand, but not fully.

And in order to do so we have to go back a little bit in history and we have to come to the understanding that globally, countries many, many years ago decided that they wanted to control their food supply. And it was a choice on countries' parts and there was varying reasons from different countries as to why they wanted to control their food supply. But Canada was no exception.

So because they want that control, they manipulated the industry over the years through the design of their regulation, their policies, the infrastructure that they put in place, and the tax incentives that they gave different facets within the industry.

I believe there's probably no other industry in our country that has less control on an individual basis of its own destiny than the different areas of the agriculture industry. And initially the federal government profited from this control and they enjoyed the riches that it gave them. But it has become more and more difficult to sustain and it hasn't been as profitable.

And again there's a number of reasons for that, and a large one of those is the fact that another countries . . . or more and more countries producing and they're subsidizing their producers.

(15:00)

The difficulties that the federal government has made . . . or made through their own decisions, they've also chosen to ignore it. They've chosen to ignore that these are decisions that they made throughout history of time. And they've hung the front line workers in the industry — which is our producers — they've hung them out to dry on this.

The agriculture industry was structured on government dependency. And it was not done so necessarily because the producers of our province wanted it to be that way, but it was because the governments wanted it to be that way. And they said to the producers, basically through their policies, that they didn't have to worry, that the government would look after them. And unfortunately it's made its . . . it's designed the picture of why the agriculture industry looks the way it does in our province.

Our producers have evolved over time and they have diversified. They've become more efficient. They have looked for different markets; they've grown many different varieties of grain; they have expanded into livestock — both traditional livestock and exotic livestock. They have investigated different avenues of adding value to their products. And they've implemented as many of those added-value processing as they can and as they've been allowed under the present government restrictions and controls.

And they have survived. They've survived a number of years where it's become more and more difficult to survive in the industry. And they've survived through their own initiatives and through their determination. But they cannot continue to do this and they cannot beat the competition of global trade subsidies. They cannot single-handedly evolve an industry that was structured on government dependency. And they certainly cannot evolve their industry as fast as the government, and in particular the federal government, is backpedalling out of their financial obligations.

With control, I think what the federal government has to come to realize, if you want to control an industry's destiny and then choose to sort of back out of that, there . . . you have to take the responsibility. Control must always come with a sense of responsibility. And that's where our federal government is failing to realize.

Agriculture used to be so important to the federal government that I was told that it used to be part of the Department of Finance. But now it's become a department that they basically choose to ignore the Western provinces.

When I keep talking about control, one of the areas, you know — just to sort of explain and give examples — one example of the control of policy that the federal government put into place was the Crow. And we can argue what happened to agriculture when the Crow rate was taken away, but had it never been there, had it never been put in place right at the beginning, agriculture would have looked differently in our province because we would have processed our grain. We wouldn't have been encouraged by federal government policy to ship raw material out east and have the processing all done in the eastern provinces.

And they've benefited from that control because now that whole processing industry is established in the eastern provinces.

Another area or an example of where they chose to control the industry is through the Canadian Wheat Board and that's . . . today it's a very controversial issue. But again I believe it has inhibited our producers from adding value to their own product.

So now basically, as the countries in this particular . . . Today we're addressing the US Bill. As they subsidize more and more, our federal government has traded it away and they basically have sold the family farm. They have said . . . they've told us in Saskatchewan that they're complying with the trade agreements but they're doing so, Mr. Speaker, before any other country is complying with the trade agreements. And they're doing so before our very competitors are complying with the trade agreements.

And they keep telling us that they cannot subsidize the damages that these subsidies in other countries is doing. They keep saying that they cannot possibly meet those subsidies because it's against the trade agreements. But you hear more and more that they could do more and still be within compliance of the agreements. So I don't feel that the federal government has been coming clean on this whole issue.

So with the US farm Bill there can be no doubt our agriculture producers have diversified into areas that is more profitable than those that have been subsidized in the past in the US. This new farm Bill is also going to devastate and gut the markets for those particular grains that I'm talking about, the pulse grains in our province.

And they are going to basically devastate the whole market that our farmers have worked hard and diligently at expanding and growing into, and the federal government if they choose to ignore yet this subsidy as well, I hope that they realize that they're dreaming in absolute technicolor if they think that they can ignore it and it's not going to cost our country and our province a great deal of money.

There is going to be a tremendous cost to the federal government continuing to ignore this issue.

In our nation of Canada one in seven jobs comes from the agriculture and food industry. The taxes that both levels of government collects from agriculture producers, from products, from the input costs, from all sectors of the industries, the machinery sales, the businesses that are kept open that are dependent on the agriculture producers is absolutely

tremendous.

Society has complained bitterly that they do not want to subsidize farmers. They do not realize it's a very, very well-kept secret how much the agriculture industry subsidizes society. The machinery dealerships, the manufacturers, the food producers, the food outlets that can sell food at a lower cost because the transportation cost is lower if it's produced locally, the hardware stores, the other small businesses, the slaughterhouses, and that's just to name a few that are all paying taxes. And they are paying taxes because they have the producers to keep them open and going.

I think that Ottawa has completely forgotten about Saskatchewan. They have looked after their particular area where they have many supply-managed producers. So the supply-managed producers are not being affected by the subsidy wars. They have chosen to continue to sort of accept that Saskatchewan is going to ship raw product without helping Saskatchewan evolve towards producing or processing its own product. And they have chosen to just let Saskatchewan sink or swim on its own.

The bulk of the processing is already being done on the Eastern coast, so they don't have any concerns there. They just need us to ship them the product and they'll be fine. But what is going to be the cost? There's going to be a cost to this.

Saskatchewan 2000 realized net farm income at 271 million is down 56 per cent from the '95 to '99 average income. And in 2001, it's estimated that we're only going to realize a net income of \$224 million, which is down 63 per cent from the '95-99 average.

So there's going to be a cost. There's going to be a loss of taxes and there's going to be businesses closed and there's going to be jobs lost. And the shining light to address this over the past within our province has been the pulse crops and our livestock, expanding in those areas. And now we're looking at that too being jeopardized by a decision that is out of the control of the Saskatchewan farm producers.

The federal government has got to realize they have a drastic responsibility. They have got to realize that they've got to step up to the plate.

In this country, we have representation by population and the Minister of Agriculture touched on this. And by having representation by population, they've left us in a position where we are supposed to, with a fewer . . . or a smaller population but more arable acres, we're supposed to come up with the same formula funding as all other provinces that have better population and fewer acres. This just simply isn't going to work for our province.

We have got to address that we need representation by region. And the federal government has got to realize that unless there is representation by region, unless there's some recognition that we are . . . we have more of the arable land than any other given province in our country, unless they can start to see that and realize that, Saskatchewan is going to be devastated on into the future. We cannot continue to sustain the agriculture industry against Europe and the US.

Too often the producers have been blamed for their own problems. And I find that that's been done both federally and provincially, unfortunately. We tend to think the . . . we say the agriculture industry is the reason for you know a number of our problems. But they have done so much. They have worked so diligently. They have tried and tried to change, and yet every time that they have done so it seems like everything is taken away from them by just the stroke of a pen; in this case, by the United States. They have evolved this industry but evolution takes both time and it takes money. And unfortunately the deterioration of the industry is happening more rapidly than they can possibly make the changes.

I find it amazing that the federal government to this point has been ignoring the obvious that's happening in Saskatchewan. The income revenue dollars is so obvious that we're struggling. The drought is a reality. And it doesn't take long before, you know, it doesn't take a lot of statistic finding to know where the moisture levels are at in our province.

And I cannot believe that they do not recognize that all this is going to come at a cost. If they continue to ignore it . . . They can maybe not spend the initial dollars, but there is going to be a cost. There's going to be a cost to our infrastructure. There's going to be a cost to our service delivery. There's going to be a cost to our education institutes. There's going to be a cost to our businesses. There's going to be a cost to our recreation facilities. And there's going to be a cost to society as a whole.

These issues go so far beyond the actual family farm. The family farm is the pillar of the industry, but basically if the family farm folds, the industry tumbles shortly thereafter.

The entire industry was built on trust. And it was built on the trust of the policies of the federal government and the provincial government. And I feel that that trust has been betrayed quite severely on the federal government.

If the federal government is going to make the decision in isolation of consultation or knowledge about the industry in our province, then they better take the responsibility of the effects that it's going to have on our province.

They designed safety nets. They say this is going to be the answer in their AIDA (Agricultural Income Disaster Assistance) and CFIP and we all know in Saskatchewan what a failure they were and how they treated Saskatchewan inequitable to the other countries . . . or pardon me, Mr. Speaker, the other provinces.

Now they say they are designing a new framework. And I know the Minister of Agriculture has sounded excited about this, and I hope he's right. Because I've looked at some of the information on this new framework and the five different pillars they are suggesting and I don't see any detail. And I keep thinking, this Bill in the US isn't a total surprise; they've been talking about it for a while. The drought in Saskatchewan is not a total surprise; we've been talking about it for a while. The decline in the income, net income that farmers can realize from their land isn't a total surprise.

So I question if the five pillars will be enough and it definitely is going to be too late. And I . . . you know, the fear is, is it

going to be too little too late? Because these problems haven't just happened overnight.

They did a . . . the federal government did a so-called consultation process and it was a quick one-day affair through our province. And they didn't even let the people who were involved in the industry, they didn't even give them a heads-up or time to put together a presentation to meet with them. They swept through the province, gave them, some of them, a 24-hour notice that here we come. You know, this is so important. If they are redoing the whole policy framework, why did they give the stakeholders in our province, some of them, just a 24-hour notice for their input?

It makes you kind of suspect that Saskatchewan isn't in the big picture of the framework for the new policy.

They have taken and promised tiny fixes and tiny steps, but there's been no direction and there's been no idea on the federal government's behalf on how they are going to bridge the industry from where we are today to where they so . . . are telling us they want it to go. And actually I shouldn't even say they are telling us where they want it to go; they haven't told us where they want it to go. They are basically saying, we want you guys to just float along and we'll come up with a framework down the road.

(15:15)

But again I go back to: what cost. I think our province knows better than any that if you continue to neglect this industry there's going to be a cost. We've seen out-migration; we've seen loss of jobs; we've seen a declining economy. There is a cost to neglecting the agriculture industry.

There's a cost to neglect and there's a cost to refusing to accept responsibility. And the cost is that it reduces your own revenue dollars. And it reduces your ability to look at the other issues within your responsibility.

I wasn't going to bring this up, Mr. Speaker, but the Minister of Agriculture made mention of the coalition, the all-party coalition, that was formed in 1999 and made a trip to Ottawa to negotiate with the federal government on the effects of subsidies.

And I know it's come up more than one time in this House, Mr. Speaker, what happened to that coalition. And the interesting thing is, the negotiations were done by the coalition behind closed doors. And the only member that's in this House today, Mr. Speaker, that was behind those closed doors was myself. The only member that knows what was said behind those closed doors, first-hand, is myself.

To continue to insinuate that Mr. Boyd or myself were the ones that basically caused the demise of the coalition is simply false. And at some point in time — but this is not the right time or the right place or the right debate — we will have that discussion and it will be explained . . . (inaudible interjection) . . . Not in the negotiations. The member from Saltcoats was not in the negotiations. He was in the coalition that went to the trek to Ottawa but he was not behind closed doors when the negotiations took place.

So our provincial government has to take its own responsibility for its own areas of neglect. They have to acknowledge that they too have had areas that they've neglected. But ultimately, for the trade subsidies, we need the federal government to come and to listen and to try to understand our difficulties here in Saskatchewan.

The price tag of ignoring the effects of this US Bill is going to be absolutely astronomical to our province. It's time to do the right thing, and it's time to accept responsibilities in our country, and it's time to give the agriculture industry back its respect and the dignity that the producers of this province deserve.

So with that, Mr. Speaker, I am more than happy to second the motion of the Agriculture minister.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Thank you very much, Mr. Speaker. And I want to, just at the outset of my remarks, again repeat my thanks to the Leader of the Opposition and to the opposition caucus for supporting us in the emergency debate that we brought to the House, or a debate of urgent and pressing necessity. I thank them and the Leader of the Opposition for their support.

I would invite the Leader of the Saskatchewan Liberal Party, Mr. David Karwacki, to also indicate his support for the motion that is before this House, that he may speak . . . we may speak as political leaders in this province with a united voice. And I look forward later this afternoon in the debate that the member from North Battleford, I am hopeful, will enter the debate in support of this extremely important motion.

Mr. Speaker, I . . . we are often greeted with headlines in the daily press that will cause us concern. I can hardly imagine a worse headline than we read in the daily papers today. I've just with me *The Leader-Post* of Regina, with the headline, "Bad news for farmers," describing the impact on our farm families, on our farmers, on our producers, that will result from the new farm Bill in Washington.

As I said earlier today, and I've said many times today, this headline might more accurately read, this is bad news for Saskatchewan. This is not simply bad news for our farm families, this is bad news for Saskatchewan because the impact . . . we have seen the impact of the existing subsidies in terms of the effect on our farm families, on our producers. We've seen the effect; that layered on, of course, by the conditions of drought in the past year and the concern we have this spring with drought.

But we've seen the effect. We've seen the downturn in the agricultural economy in our country. We've seen the loss of employment in agriculture.

And what's happened, Mr. Speaker? Many of our farm families have responded to these international subsidies by finding new production, new crops. They've diversified. They have found a way to remain competitive in the international market by moving into many of the pulse crop areas.

And that's what makes this so disastrous — this new American farm Bill. Never mind that they are, according to the press here, increasing their subsidy level to the traditional grains by 70 per cent — by 70 per cent — they are now extending the subsidies to the pulse crops; to the peas, and the lentils, and the chick peas, the areas where our producers have moved so that they could compete. And having moved there, they compete with the best in the world.

And around that new diversification, we have seen the result in our province, in processing, in many of our communities. Only this past couple of weeks, we celebrated the new plant in Avonlea.

Today we are greeted with some very, very bad news. Now as the Minister of Agriculture and the critic of Agriculture have pointed out, we've known about this circumstance of subsidy for some period of time. And we have been, at every occasion available to us, bringing this to national attention.

As the Minister of Agriculture has indicated in the House this afternoon, following a meeting of the Canadian premiers, first ministers' meeting, premiers' meeting last year, I raised this issue with my colleagues from across Canada. They asked of me then to return to them in the fall of 2001 with a report on our behalf, on behalf of premiers, to be sent to the Prime Minister and the federal government. And I was very pleased on behalf of premiers to undertake that work.

And in this report, which we entitled the *Fair Deal for Canadian Farmers*, we documented exactly the impact of the subsidy . . . international subsidies on Canadian agriculture, the subsidies as they existed last year. And if I may, Mr. Speaker, for the record, I would like to quote into the record the conclusion . . . some of the conclusions that I drew in this report and provided to the federal government.

The challenges faced by Canadian farmers created by trade distorting subsidies are national challenges for all Canadians to address. It is, therefore, primarily a federal responsibility to provide the support necessary to offset disadvantages resulting from competitors' higher subsidy levels. It is a federal responsibility to aggressively negotiate better trade rules — rules that will constrain the EU and (the) U.S. Only the federal government (I repeat, Mr. Speaker, only the federal government) has the fiscal capacity to act and only the federal government can ensure that Canadian farmers are treated equitably.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — And then in conclusion, I said this, Mr. Speaker:

It is time (it is time) the federal government admitted that the likelihood of a short to medium term negotiated solution to the problems of international subsidies appears remote. Canada will need to act more aggressively if a successful outcome in international negotiations is to be achieved.

In the meantime (in the meantime), Ottawa should act on behalf of all Canadians to support our farmers adversely

affected by these international subsidies in accordance with the values that Canadians share.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, on the most recent Team Canada, led by the Prime Minister of Canada and joined by the majority of Canadian premiers, we visited, we visited in Moscow and we visited in Germany.

I had opportunity in Germany to sit across the table from the now chancellor of Germany, Gerhard Schröder, and I addressed the matter of subsidy with the chancellor of Germany.

We later, in that Team Canada, had opportunity to meet across the table with the current President of Bavaria who some are suggesting in Germany may well be the next chancellor. I had opportunity, with Edmund Stoiber, to raise the matter of the European subsidies.

Now Chancellor Schröder took the point of view that is shared by our government, that we need to move to the level playing field in the international sphere. We need to reduce the national . . . the level of international subsidies.

I'm sorry to report that the challenger for chancellor in Germany, Edmund Stoiber, took a different point of view and argued that they will continue to subsidize their farm families for as long as he could foresee into the future. This is troublesome, Mr. Speaker.

We saw what we believed to be some progress at the recent world trade talks, where nations were committing to lowering the subsidy, including the United States of America. In fact, as my colleague says, in some ways the United States of America led the debate to bring down the national level of subsidy.

And that, Mr. Speaker, is what is so appalling from my point of view and our point of view about the farm Bill in Washington today — when you say one thing on the international stage but when it comes to the politics of American elections, you'll do quite the opposite, quite the opposite.

Now, Mr. Speaker, unless there's any mistake about this, there is no unanimity in the United States about this farm Bill or this level of subsidization. In fact there are many, many in America who see this just for what it is, and I quote from *The Atlanta Journal* two days ago, a headline: "Farm legislation illustrates worst (the worst) in corporate welfare."

And here's what *The Atlanta Journal* says:

A 10-year, \$171 billion subsidy to agribusiness will be parceled out according to (the) size of the business. Small farmers need not apply. The top 10 percent of the largest recipients of crop subsidies, for example, get two-thirds of the money. The bottom 80 percent receive barely enough to justify . . . the paperwork — an average of \$1,132 per year.

So is this the support for the American farm family? No, it's support for American agribusiness. That's what's going on here. It was reported to us in this House earlier today that the maximum subsidy level is to be \$360,000. Three hundred and

sixty thousand dollars.

Mr. Speaker, this is not a program to support the American small farm family. This is a program to support American agribusiness. And meanwhile the American administration will go to the World Trade Organization and talk the good talk about wanting to reduce American subsidies.

Mr. Speaker, I'm hoping to have an early opportunity to at least speak with one of the governors, perhaps the Governor of North Dakota, around some of these issues. But let me say this: our opportunity to change what is going on in Washington is very minimal, and highly unlikely that that will be changed.

Therefore it is the call of this government and this legislature that our national government must step up to the plate. There is now no alternative. There is no alternative.

We therefore today are calling upon representatives — the appropriate representatives — of our national government to come to Saskatchewan, to come to this Chamber, meet with the legislators of Saskatchewan, meet with producers in Saskatchewan and their representative organizations to understand, if they do not, completely the implication of this American subsidy Bill.

Now we have on occasion — many occasions — gone to Ottawa. We've gone to Ottawa on many occasions. It is our view it's time for Ottawa to come to us.

Some Hon. Members: Hear, hear!

(15:30)

Hon. Mr. Calvert: — I am optimistic that those appropriate ministers — and I understand that the opposition will be offering a friendly amendment to include in the list the Minister of Finance of Ottawa, entirely appropriate — I am optimistic that those appropriate ministers will come, will understand, and will act. Because as I said a moment ago, Mr. Speaker, this now has gone beyond hurt. This now has gone beyond hurt.

And as our Minister of Agriculture has described it very recently in meetings with his colleagues, this is a matter of trade injury. This is a matter of trade injury. We will not stand by while the producers of food in Canada are injured. We will not stand by when the producers of Saskatchewan, when our farm families are injured by this kind of subsidization across the line. We will not stand quietly by.

And so today, we call from this legislature upon the appropriate ministers of the federal government to come, to come to Saskatchewan, come and understand the issue, come and work with us in what they can do to solve this issue. This is not the time for Ottawa to stand idly by. This is the time for the national government of Canada to come to the aid of Canadian farm families and producers.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. And, Mr.

Speaker, I am pleased to join in on the debate, this emergency debate on the ramifications of the most recent US farm Bill on Saskatchewan agriculture.

Mr. Speaker, I was pleased that the Assembly agreed unanimously to hold this debate. I was pleased with the motion brought forward by the Government of Saskatchewan and we're very pleased to second the motion. I was particularly pleased that when we made a friendly amendment, that the Premier was willing to also support the amendment to the motion. And, Mr. Speaker, on the conclusion of my remarks I will move that amendment here in the House.

Mr. Speaker, there is no argument that what the Americans are doing is unfair, not well thought out, and will certainly be damaging to one of Saskatchewan's primary industries, that being agriculture. This Bill is more far-reaching and will be more damaging than previous US farm Bills which have had a negative impact on Saskatchewan's oldest and most important industry.

Mr. Speaker, the effects of this farm Bill will not only be devastating to traditional crops like wheat and oilseeds but, Mr. Speaker, it now will reach into the pulse crop area — one of the bright spots in Saskatchewan agriculture that has increased the income of many farm families — and it has implications for the livestock industry as it calls for country of origin identification on meat that is being exported to the United States. And that will have an implication on the profitability of that sector growing, an important sector of the Saskatchewan economy.

Mr. Speaker, we believe that Canada needs to take a strong stand in opposition to this US farm Bill and also make a strong statement and go beyond a statement and take action to counteract the negative impact on our agricultural sector of their legislation which they have committed themselves to implement.

Mr. Speaker, \$73.5 billion US is a lot of money. It's a lot of money that will be in direct competition with producers in Saskatchewan who receive far less in the way of subsidies.

Mr. Speaker, we all recognize that there are responsibilities. And producers in Saskatchewan realize that those responsibilities are shared by themselves, who are the producers of agriculture goods that feed not only those of us in Saskatchewan, but people around the world; they recognize that there is a provincial responsibility; and they recognize that there is a federal responsibility. And they recognize that those responsibilities differ depending on circumstances.

It used to be, Mr. Speaker, that producers in Saskatchewan were often divided. On just about any issue you might raise that impacted agriculture, you would see a division amongst producers. But you see less and less of that in our province all the time. Saskatchewan producers are becoming more market oriented, and they are searching for crops that will return and agriculture products that will return a good rate of return for their investment and for their time.

Mr. Speaker, our industry in Saskatchewan, our agricultural industry, is strong, it is flexible, and it is for the most part optimistic even in the face of great difficulties. Yes, the

producer has a responsibility to read the marketplace. They have a responsibility to pursue the proper technology to be environmentally responsible, and to be contributors to the Saskatchewan economy. And by and large, Saskatchewan producers have fulfilled this responsibility to the highest level of excellence and should be graded an A plus.

Mr. Speaker, the federal government cannot claim such a good record. The federal government is responsible to protect the industry from unfair trade action — unfair trade action like we've seen from Europeans and as we are now seeing in an escalating form, from the Americans.

Mr. Speaker, the federal government's responsibility lies in making sure that trade rules are followed and that a strong voice is brought forward on behalf of our industry when it's being attacked by the actions of our competitors in other nations.

And, Mr. Speaker, we agree with the government that we need to — in a unified voice and in a strong voice — tell the federal government that action is required in this case; that they cannot be passive and stand by and watch the American action damage our industry.

But, Mr. Speaker, there is also a provincial responsibility. And we can argue as to what degree or what level of comparison it has to the farmer's responsibility and to the federal responsibility, but we know that the province is responsible to make sure that there is a good crop insurance program in this province.

We know the province is required to provide the infrastructure that the agriculture sector needs. And we know that the province's responsibility is to create an economic climate that fosters diversification and a strong growth in the agriculture sector. And we've seen that in other provinces in spite of the failures of the federal government and in spite of in the past a lack of unity amongst the producers.

So, Mr. Speaker, it's not correct to always point the finger at the guy and say it's always the other person's fault. We must all look at what our responsibility is and be prepared to shoulder that responsibility.

And, Mr. Speaker, I was privileged shortly after the 1999 election to make the visit to Ottawa with the former premier of Saskatchewan, Mr. Romanow, and with the former minister of Agriculture, Mr. Lingenfelter. And we went down to Ottawa, and I think we made a fairly strong case, except the federal government had done its homework. They knew we were coming and they were looking for a weakness. They were looking for a way to be able to get off the hook for their responsibility.

And they found a way, Mr. Speaker. They brought forward to our delegation the new economic numbers that said that farm income was going to be increasing substantially in Saskatchewan, that our numbers were all wrong.

And, Mr. Speaker, quite frankly Mr. Romanow and Mr. Lingenfelter didn't have a good response for that argument. But all we had to do was sit down and look at the fact that they had, the federal government had calculated its figures on numbers

prior to the harvest coming off, and the harvest was much smaller than they had forecast and prices had dropped.

Now, Mr. Speaker, in a spirit of co-operation, we met with the Minister of Agriculture, we met with the premier . . . the former premier of Saskatchewan, and we said this is the flaw in the federal argument and we raised that issue. And in fact in the long-term, we were right and the federal government was wrong because they revised their figures later. And in fact, Saskatchewan farm income was lower than it had been previously projected by the federal government.

I bring up this example to say that the federal government will look for a weakness in the province's position. They know that logically they should be defending producers in this province. They know that logically and legally they are responsible for the position on trade issues that we are involved in and that we are debating today.

But, Mr. Speaker, they can look at the provincial government and say, why should we move forward to protect and to defend this industry when the provincial government is not doing the same, when the provincial government has reduced crop insurance coverage, increased crop insurance rates, and reduced its Agriculture budget?

Now, Mr. Speaker, we tell this to the provincial government not to embarrass them, but to tell them to be prepared. Be prepared for the arguments that the federal government will make.

We welcome the ministers of the Crown, the federal Crown, coming to Saskatchewan and coming to this Assembly. And we want to make a strong argument, a united argument, in support of the need for more federal action in defending our producers against unfair American trade action.

Mr. Speaker, there was a time . . .

The Speaker: — Order, please. I'd just ask all members to allow the member to make his remarks in full on this very important debate.

Mr. Hermanson: — Thank you, Mr. Speaker. Thank you, Mr. Speaker. Mr. Speaker, the Minister of Agriculture in his comments questioned, questioned my commitment to the subsidy issue and my position on the subsidy issue.

Mr. Speaker, I want to talk about the past when the debate was on whether or not the Crow subsidy would be continued. Mr. Speaker, it was my position at that time and it still is my position that if other countries are subsidizing their producers, Canada must respond.

Canada would be better off — and Saskatchewan producers included would be better off — if the Americans and the Europeans reduced and eliminated their subsidies. And quite frankly, if the Americans and the Europeans eliminated their subsidies — and I would imagine that the Minister of Agriculture would agree — if they eliminated their subsidies, Canada would move in the same direction.

And we would be better as Canadian producers if we were on a level playing field because American producers and European

producers are subsidized to a far greater degree than Canadian and Saskatchewan producers are subsidized. So obviously it is only a logical argument that if we could convince our competitors to reduce their subsidies, we would be better off and we should move in the same direction.

Now, Mr. Speaker, I have never said, and I never will say, that Canadian producers should receive less subsidization for their product when our competitors — the Americans and the Europeans — are increasing theirs.

And in fact at the time of the Crow debate, my argument was that the funding that went into the Crow transportation subsidy should be put into a trade distortion subsidy to maintain that support for the industry so that we could fight fire with fire, and if the Americans brought forward unfounded farm Bills like the one that they're bringing forward now, we would have the means to counteract the impact of that action. And, Mr. Speaker, that is still being debated today as a good plan of action.

Now, Mr. Speaker, I only mention these things to set the record straight. Above all and beyond all else, I want to see the Saskatchewan agriculture sector move forward. And we're prepared to work together with the government in any way possible to see the actions of the Americans blunted and the federal government standing up for the producers of our province.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Mr. Speaker, we make that commitment to the government and we will keep that commitment. We will keep it because it's the right thing to do and because it is the moral and proper thing to do, Mr. Speaker.

Now, Mr. Speaker, we would call on the provincial government to do its homework. I hope as the Premier suggested that those four cabinet ministers from Ottawa will come and meet with us in this Assembly. It's an intriguing idea, Mr. Speaker. And quite frankly, the federal government needs to improve its image in Saskatchewan and this is an opportunity for them to show good faith.

And we warmly invite them. They'll be warmly received. If those four ministers come into this Assembly, we will not be berating them. We will appreciate their presence among us, and we will, we will be as hospitable as Saskatchewan people always are.

But we'll make our case very strongly. We will very strongly indicate that the federal government has a key responsibility to protect producers from unfair trade action and that they need to take strong and aggressive action on behalf of our producers. We will work with the government and we will work with the voices of agriculture in Saskatchewan to make that message clear and certain in the minds of the four ministers should they accept this invitation.

Mr. Speaker, it is in this spirit that we not only support the government's motion but that we make a friendly amendment. And I would move, seconded by the member from P.A. (Prince Albert) Northcote:

That the following be added after the words “Canadian Wheat Board”:

the federal Minister of Finance.

Thank you, Mr. Speaker. We will look forward to a positive response from the federal government and we look forward to progress in this very important and emerging situation. Thank you.

Some Hon. Members: Hear, hear!

(15:45)

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. I want to say what a pleasure it is to join a debate that I think all of us would rather not have had to be a part of.

The Premier alluded today to the headlines in the Regina *Leader-Post* as being bad news for farmers, the actions taken by the Americans indicating that it's bad news for Saskatchewan. I want to add to that, Mr. Speaker, by saying I believe it's bad news for Canada.

The extension to pulse crops, which is the area that our farm community had moved to support their incomes because of the unfair disadvantage that was created by American/European subsidies as it related to wheat, is now an advantage that they can no longer use. The introduction of the identification of livestock and hogs as it relates to labelling requirements that may come in the United States is another area that I believe will be devastating not only to Saskatchewan livestock and hog producers, but other provinces across our country as well.

And I find it quite interesting, Mr. Speaker, sad, the Americans, our large neighbours to the south who tout themselves to be free traders, supporters of free trade agreements, are the same people, the same people who are distorting now the livestock industry, the cereal grains industry, the pulse crop industry, and the softwood lumber industry, Mr. Speaker.

This province is attempting to build and diversify and grow our economy. And we're succeeding in the softwood lumber industry by oriented strand board plants that include both softwood and hardwood, by dimensional lumber mills, by looking at opportunities to expand in pulp and newsprint, Mr. Speaker, all of which is now under attack by our American neighbours.

The livestock, the intensive livestock industry, we're working very hard with private sector investors to develop an ethanol industry to ensure that we can support and that we can expand the intensive livestock industry here in our province, create economic development in rural Saskatchewan, all throughout our province, by supporting the ethanol production. Mr. Speaker, it's an area that we're counting on to build and grow and diversify away from the primary side of agriculture, in our agricultural sector, all of this now under attack.

Mr. Speaker, it's been said by . . . I think all members of this legislature can probably say they've heard the same thing from . . . same kind of comments from their constituents. Those comments that if this was central Canada and this impact was as

dramatic on central Canada as these trade actions are having and if the impact was as great on central Canada, that this debate, this discussion wouldn't be going on very long because the federal government would act and would act soon.

And I say, Mr. Speaker, it's a comment that none of us want to hear. We have a strong country, hopefully, a unified country. And what members of this legislature on both sides of the House today are asking for is a recognition that the federal government needs to step up to the plate and they need to be part of the support that it will take in order to ensure fairness for our agriculture community.

And I want to say, Mr. Speaker, I recognize that there is a Liberal presence, although small, in this legislature. This Liberal presence can and has been very vocal on many issues. And I want to say, Mr. Speaker, I'm asking on behalf of the million people in this province, for that member to stand up and urge his federal cousins to be supporting this motion; have those people come out here, those members of parliament, those cabinet ministers come out here and hear first-hand from Saskatchewan people how this is impacting on their livelihoods and on our province.

And I'm hopeful that his leader, the newly elected Mr. Karwacki, the Leader of the Saskatchewan Liberal Party, can have some impact on his federal counterparts. Mr. Speaker, there have been two massive budget surpluses in Ottawa. The last two surpluses have been of a fairly large magnitude, and clearly, there is some room if there is some will.

And I'm saying, Mr. Speaker, that it's not enough for any of us to stand by as our agriculture industry, not only our agriculture industry — our forest industry, our livestock industry — is under attack by the actions that our American friends to the south have taken.

And I say it's not good enough to stand back, which is why we introduced this motion today. And I'm pleased to say it was supported by members of the Saskatchewan Party because I think it will take a unified voice in Ottawa in order to bring attention to the concerns that we as a province have.

Mr. Speaker, the Leader of the Saskatchewan Party today made some comments with respect to some history and his involvement with the former premier and a former member of the cabinet, a former Agriculture minister, as they travelled to Ottawa, and he indicated that Ottawa was looking for a weakness to exempt itself from involvement in support for Saskatchewan agriculture. And they found some numbers that they were able to use to mount an argument that would not support our submission that we needed financial support here.

But I find it interesting that a day when we're looking for unity and a day when we're looking for a common support base to Ottawa, this member chose to suggest there were deficiencies in terms of the homework that was done by that administration when he himself was part of the delegation and didn't have an answer to the question that very day, Mr. Speaker.

And I want to say that members on this side of the House are very clear in terms of the Leader of the Saskatchewan Party as it relates to support for agriculture. We're very clear of his

involvement as a Canadian Alliance Member of Parliament. We're very clear the parliament or the position that the Canadian Alliance took as it relates to agriculture policy.

And it was on this side of the House also, Mr. Speaker, very clear of the fact that the spokesperson for agriculture from the Canadian Alliance after the '99 election indicated that their failure to support the agriculture community as it relates to involvement — whether it be in trade actions taken by other communities in terms of creating a level playing field — that was one of the reasons they weren't able to succeed in that election.

And I say to the Leader of the Saskatchewan Party that we on this side of the House and Saskatchewan people understand very clearly so we should not go there. What we should do is we should work together to ensure that we build and grow and diversify this economy, and that we take a common voice to Ottawa — a common voice in support of our agricultural community and in our forestry community and in our livestock producers. That's what we need.

And, Mr. Speaker, I know that the support through this motion is here today. It's been indicated that that is the case by the Saskatchewan Party. I'm hoping it's going to be here tomorrow and I'm hoping that it's going to be here next week because this debate is not finished today.

And I want to say to the Leader of the Liberal Party in Saskatchewan, this debate does not end today. We are asking you, sir, Mr. Karwacki, to take a public position, to take a public position supporting Canada as opposed to your political friends because that's the kind of action that's required here.

And I'm saying that I'm hoping — and I believe — that every member of this legislature will ensure that we carry this debate forward because we have a strong case in Saskatchewan. We have a strong case based on the history and the support that our agriculture community hasn't had as it relates to agricultural support. And our federal government now has to understand the severity of this circumstance — an increase to the subsidy on wheat of 70 per cent, Mr. Speaker, over and above a huge large subsidy, seventy-three and a half billion dollars in support of subsidies in the United States.

To put that in context, Mr. Speaker, our entire revenue for our entire budget in this province is in the neighbourhood of \$6 billion, six and a half billion.

Mr. Speaker, this is unfair. It is unfair what the Americans are doing — distorting trade. And all we're asking for is a level playing field — the agricultural community in this province — and until we get that level playing field, Mr. Speaker, there needs to be support by our federal government.

Regina, Saskatoon, Prince Albert, the communities in our province cannot wage a subsidy war. We can't create a level playing field. We need the support of our national government. That's why this federation of provinces and territories, Mr. Speaker, can be strong. And that's why we're asking our federal members of parliament to work with us in creating a fair and a level playing field.

Mr. Speaker, I find it so interesting, so interesting but yet so disappointing. The Republican right-of-centre administration in the United States — supposed proponents of free trade, supposed proponents of fair trade, supposed proponents of an open and a free marketplace — are the same, very people, the same administration, Mr. Speaker, who are not true to their rhetoric when it comes to trade.

And the countries who have been fair and who have been at world trade talks and who have played by the rules — countries like Canada — who have moved into niche markets, whose agricultural community has moved into niche markets, believing in fairness of trade and believing that those large producers with their massive subsidies will some day move to a free and a fair marketplace, Mr. Speaker, have been, I believe, betrayed.

They've been betrayed by the concept of fair trade because right now there is no fair trade. This is an imbalance created by a large, powerful, right-wing nation, Mr. Speaker, and I think it's a shame. Because when you hear what they say and you see what they do, it can only lead you to believe that they're not being genuine.

Mr. Speaker, it almost leads you to believe that the motto and the modus operandi is winning at any cost. And, Mr. Speaker, all the people of Saskatchewan and Canada are looking for is fairness.

And I want to say, Mr. Speaker, to the people of Saskatchewan, this government will not stop. We will not stop in our quest for fairness and in our fight for fairness and in our fight for equity, and we will not let the federal government off the hook on this, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — They're going to be here as our partners whether they like or whether they don't. We will do what it takes to have them understand that this discussion doesn't end here today. We want to work with them, we want to co-operate with them, because that's how we can create a fair and a balanced circumstance for Saskatchewan farmers.

And, Mr. Speaker, I am asking for every farm group and every man and woman who makes their living, who derives their income from agriculture, or industries that support agriculture, to support their government, to support this administration in their quest for that fairness.

Mr. Speaker, this isn't about politics. This is about economics. This is about the survival of our province. It's about the success of diversification of our agricultural industry. It's about the success of being able to allow Saskatchewan men and women to make their living in businesses and working for businesses in the agriculture sector and in the value-added agriculture sector, and in forestry and in the livestock industry. That's what this is about.

But, Mr. Speaker, that can't happen over the long haul without fairness. And that's where this debate has to take us.

Mr. Speaker, you know I really find it more than disappointing

— more than disappointing — when I see the kind of actions taken by people who have so much, a country who has built so much wealth, created so much wealth based on the natural resources and the ingenuity and, yes, I would say the integrity of their people, the Americans, our neighbours.

And it's so disappointing when they ignore the circumstances that are put in place with respect to fairness as it relates to trade and the quest for that fairness. And they ignore that and don't want to see the same kind of wealth creation and wealth generation by people who have been, although we're a small country, we've been very good neighbours to the Americans. We've been very good allies to the Americans.

And we ship them our resources as it relates to natural gas and oil; and there's fair trade in natural gas and oil. We have resources in our forest sector and we ship them our resources to build their homes. And when they have hurricanes as they've just had that destroys their infrastructure, we're willing to trade on a fair basis. And it's been proven that we trade in our forestry sector fairly. Every time we go to a court, every time we go to seek world opinion, find out that yes, we're fairly trading.

I say, Mr. Speaker, this is not an act of friendship. And I say, Mr. Speaker, this is not an act of fairness.

And I want to close by saying this government recognizes that we can't fight these people alone. And we're asking our neighbours in Alberta, and British Columbia, and in Manitoba to join us in this fight. Because we have to fight as a nation to ensure that our industries and our people and our provinces and our country is protected. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hart: — Thank you, Mr. Speaker. It certainly is a pleasure to enter into this emergency debate, Mr. Speaker. As the speakers before me have indicated, this is a very, very serious issue for Saskatchewan and particularly for the farmers of our province.

But as other speakers have indicated, it not only will affect the farm families of this province but it will affect all citizens of this province. This US farm Bill will have . . . has the potential to have a huge negative effect on this whole province, and the farm families of this province will bear the brunt of that impact, Mr. Speaker.

This farm Bill has \$73.5 billion of new money in it, Mr. Speaker. That's over and above the \$107 billion that was already there. And that's over a 10-year period. That's \$173 billion, or \$17.3 billion per year, Mr. Speaker, which is huge.

And as other speakers have indicated, it not only continues to subsidize the existing commodities such as wheat and corn and soybeans — which affect the prices of our wheat and canola and cereal crops — but it also now for the first time has included the pulse crops. And, Mr. Speaker, some of the subsidy levels or loan rates that are set under this new farm Bill will have a devastating impact on our pulse crops, Mr. Speaker.

And this comes, Mr. Speaker, this new farm Bill comes from

our neighbours to the south, as one of the speakers said, under a new president who purports to support free trade, comes from the land and the home of the free traders, Mr. Speaker.

And as one of my constituents said to me here just yesterday, he says, the Americans may be our neighbours but after this farm Bill it doesn't seem like their our friends any more, Mr. Speaker. And I'm afraid I have to agree with him.

We have the senator from North Dakota, Senator Byron Dorgan, who was one of the main architects of this increased subsidy, who constantly berates our institutions and our programs here, who constantly attacks the Wheat Board, and yet at the same time was one of the elected officials who was instrumental in these new and increased subsidies, Mr. Speaker.

And you have to ask the question, why? Why at this point in time, this period of time would the US bring forward this massive increase in farm Bills? And there's a number of reasons as I see them, Mr. Speaker, as to why we see these increased subsidies.

One being the strong farm lobby that US farmers have down there to the south of us. They have strong farm organizations. They hire professional lobbyists and they get their message across and they're obviously very effective.

The second reason is that there are many in government who actually care about the US farmers and care about their well-being.

And then of course, we can't exclude the impact of September 11 that it has had on our neighbours to the south. They've become inward-looking, they seem to only think about their own well-being, and they are very, very concerned about security of their food supply. And I'm sure this all impacted on the decisions that were made here just . . . over the last few days.

As I said, Mr. Speaker, this new US farm Bill continues to support at increased levels for most of the farm commodities that were under the Bill in its former phase. The subsidies on the majority of the commodities has gone up, Mr. Speaker. The only one that I could see, the information that I have, is the only subsidy of the major crops that has decreased is soybeans and that decreased marginally.

The subsidy on the . . . or the loan rates which translates into a subsidy for all the other crops has gone up, Mr. Speaker, and that's going to have some continued and further deleterious effects on the prices that our farmers receive.

The way this farm Bill works, it's basically enhanced the old program that they have — the old farm Bill was in effect for five years; this one is going to be in effect for six years.

They have a combination of a number of things, but the items that really will affect Western Canadian farmers, and particularly Saskatchewan farmer, are things . . . are the loan rates and the loan deficiency payments, Mr. Speaker.

And I could maybe perhaps use an example that would illustrate how this will work. The current US . . . under the current

program the loan rate for corn is \$1.89 per bushel US. So an American producer, if he can sell his corn for whatever price he feels he can get in the marketplace . . . and he really doesn't have to worry whether that price is low or high because he's guaranteed that \$1.89 per bushel.

So for an example, they can be dumping their corn . . . we've heard tell of the feedlots in southern Alberta bringing up semi-loads of corn to replace western feed barley. And for example, if they're bringing it in . . . selling it at \$1.40 per bushel US, well then that American producer will . . . he'll get the \$1.40, but then he just goes to the farm program, and gets the 49 cents that he . . . to make up that total price of \$1.49.

So there's really no incentive for him to search out markets, and market wisely, and so on. He can just basically dump his product on the market, and that's what's happening, Mr. Speaker.

Now the new provisions, which are very onerous . . . will have a very onerous effect on Saskatchewan, is the pulse crops have been included for the first time. And the new loan rates, which I think our Canadian producers would find very, very attractive, in Canadian dollars peas are going to be . . . the loan rate is going to be set at 5.94 a bushel which is a floor price. So producers of peas will be guaranteed that price.

Well that's a very good price, Mr. Speaker. If you talk to any of the pea producers in this province, historically that's a very good price. And if our producers were guaranteed almost \$6.00 a bushel, we would see fenceline to fenceline in peas.

The other commodity, the other pulse that will be severely impacted, is lentils. The loan rate is set at 18.7 cents per pound. And that is, Mr. Speaker, for number three grade. They're not even talking about number one, it's for a third-rate product, Mr. Speaker.

And that is — under today's market conditions — 18.7 cents a pound Canadian is a good price for lentils. And I'm sure it'll be a good price for our American producers and we will see them — probably not this year — but next year they'll be going into producing these crops.

We've also seen the loan rates for chickpeas and small chickpeas and the desi . . . they've left out the large kabulis because the California producers didn't . . . weren't happy with that.

The other major effect, Mr. Speaker, that this Bill is going to have, and other speakers have talked about it, is the mandatory labelling on meat products being sold in US supermarkets. And that under the farm Bill only meat products that were . . . was born, raised, and processed in the US will qualify for a US labelling. All other animals that are brought in as feeder animals and finished and slaughtered in the US will have to have the country of origin. In our case, if they come from Canada, they'll have to have the Canadian labelling on them.

And I'm sure, given the mood of the American people that's present now with as a result of September 11, and as I said, their inward-looking and patriotic stance, I'm sure they will give the . . . the American consumer will give preference to the

US products. And there again which will severely impact on our livestock industry.

Mr. Speaker, as I said, the inclusion of the pulse crops in this new US farm Bill will have the devastating effect on our pulse industry. We've seen our pulse industry grow from a few thousand acres some 20 years ago to this year about five and a half million acres will be planted to pulses.

We've seen the explosion of pulse processing plants all across this province, Mr. Speaker. There's been . . . a number of them have opened within the last 12 months; a number are in the process of being constructed. In fact, this government has some investments in some of the pulse processing plants, Mr. Speaker. And the dark cloud that hangs over our pulse industry is certainly not good news, Mr. Speaker.

And as I indicated, the labelling issue will certainly . . . is certainly not good news to our livestock industry, an industry that we're looking to grow and help grow this province now has another . . . has a dark cloud hanging over it.

I'd like to give a couple of examples, Mr. Speaker, that I've been able to pick up off the Internet as to the effects of this subsidy on US farmers. Senator Harkin of Iowa, the Chair of the Ag Committee, estimates that a typical Iowa farm of 1,000 acres of corn and soybeans will receive about \$84,000 US in subsidies under this program.

Well if my math is anywhere near correct, I estimate that to be about \$135,000 Canadian or about \$135 an acre. Well I think some of our farmers would be very happy with a mere fraction of that kind of support, Mr. Speaker.

Mr. Speaker, I raise the issue . . . I mentioned that peas are being subsidized at a fairly high level. And an example that I've been able to come up with on . . . as to how these subsidies will affect pea producers in North Dakota, for instance . . . as I'd mentioned, the base grade for peas under their program is feed peas. Well those people that are involved in producing and selling peas that know that there's quite . . . quite often, there's quite a large difference between edible peas and feed pea prices. And in this example, the writer of this example uses the scenario of the . . . using current prices in North Dakota.

The current price for feed peas in Canadian dollars is \$4.71 a bushel. Yet the price for edible peas is \$6.21 a bushel. But under the farm program, it doesn't recognize that. So when the farmer, the North Dakota farmer sells his peas, the program . . . he sells them for 6.28. The program recognizes it, the value as 4.71. The loan rate is 5.94. So if you do all the math, at the end of the day, that North Dakota farmer ends up with \$7.51 a bushel. That's a very profitable price for feed peas, Mr. Speaker. I think any farmer in Saskatchewan would be more than happy to obtain those kind of prices.

So what do you think that's going to do to the pea production down . . . across the 49th? The North Dakota farmers are having disease problems in their cereal crops. So they're going to go to these pulse crops in a big way and, of course, that's going to have a huge negative impact on us, Mr. Speaker.

So what can we do, Mr. Speaker? What can the Saskatchewan

farmer expect from our governments? Well, Mr. Speaker, if he looks to what the federal government has been telling him in the last number of years, he really certainly isn't very optimistic.

Our federal counterparts in Ottawa, they view Saskatchewan farm production, particularly the grain and oilseed sector, as a sunset industry. In other words, a dying industry. And they don't really see any advantage in putting taxpayers' dollars into that industry.

Now I'm not saying that I agree with . . . I certainly do not agree with that analysis of our industry, Mr. Speaker. But unfortunately, the bureaucrats and some of the federal ministers have that view of our industry and it's a difficult view to . . . and it's very difficult to change their minds.

(16:15)

In 1996 the federal government withdrew their support for grain transportation. They cancelled the Western Grain Transportation Act which brought in about \$300 million in freight subsidy to Saskatchewan, and they didn't replace it with anything.

At that time the grain prices were rising and they felt that there was no need to replace it. And of course they were also undergoing budgetary restraints and trying to balance their budget. And I'm sure that was the major factor in them withdrawing that program.

They also don't recognize the fact that other . . . our federal counterparts certainly don't recognize the fact that other governments, national governments, are continuing to subsidize. We keep hearing in this province and all across Western Canada that we're going to work . . . we're going to talk to the Americans, we're going to talk to the Europeans, and get them to reduce our subsidies and then we'll have more of a level playing field.

Well as other members have said in this House, that simply is not happening. And the recent issue of a Wheat Board publication has some information on the levels of subsidy. And this is taken from the OECD (Organization for Economic Co-operation and Development). The level of support in the US for a bushel . . . or a tonne of wheat in Canadian dollars is \$135 per tonne; in the EU it's 113; and in Canada it's 26; and the Australians are at \$9, Mr. Speaker.

But our federal government keeps saying, well we're going to talk to the other governments around the world and get them to reduce their subsidies. Well it's not going to happen. It's a fact of life and we see it in this US farm Bill. And the Europeans have told our federal ministers over and over again, go away — don't talk to us about this issue because we're going to continue to subsidize, and if your farmers are suffering that's your problem and you better deal with it. And to this point in time our federal government certainly isn't dealing with it in a very effective manner.

As a matter of fact, Mr. Speaker, I think that Western Canadian farmers are the cannon fodder in this trade war and our federal government really doesn't care a whole lot about what's happening out here. They're more concerned about protecting

their industries in Central and Eastern Canada, particularly the auto industry and those type of industries. Our counterparts in Prince Edward Island saw the same ineffective federal government when they had their problems with potatoes here just very recently, Mr. Speaker.

However, the provincial government also has a role to play in this whole area. And I would like to look at this point in time at the provincial record. And I'd like to do this, Mr. Speaker, in a factual way, not in a critical way. What are the facts out there? And what is this NDP government's record, Mr. Speaker?

Well we all know, we've heard it many times in this House and everyone knows how this government tore up GRIP back in the early '90s and they said that they'd replace it with something.

Perhaps the GRIP program was too rich and it couldn't be sustained from a fiscal point of view, but it certainly . . . there was a need to replace it, Mr. Speaker. And to this point in time, we haven't seen anything.

And then we've had a few periods . . . a period of a few years in the middle '90s where — as the members opposite point out — agriculture was doing fairly well. Canola was at 8 to \$10 a bushel, wheat was up around 5, and all those sorts of things. Cattle prices were fairly reasonable. And so there wasn't a great need for a safety net. And so these people across the way were keeping their fingers crossed that that would continue and they wouldn't have to deal with the problem.

Well we all know what happened. Things went south, as they say, in the late '90s — '98, '99, when hog prices hit an all-time low; grain prices hit a low. And so here we were once again in an income crisis. Other countries were subsidizing and the Saskatchewan farmers really had nothing to fall back on.

So what the . . . We had the emergency debate in December of '99 and then we had sent representatives from both sides of the House down to Ottawa to talk to the federal government. And the NDP government and the minister of Agriculture of the day apparently hadn't done their homework completely and didn't have sufficient facts and figures to back up their position and got blindsided by the Prime Minister.

The Saskatchewan Party representatives, the people who were part of that delegation, provided the minister of Agriculture with the current facts and figures very shortly . . .

The Speaker: — Order, please. Order, please. All members will have their opportunity to speak.

Mr. Hart: — But nonetheless it was a joint effort and everyone was working towards a common purpose. And eventually I believe, if memory recalls, there was a bit of a program that was put in place, kind of a stop-gap measure that did at least ease some of the hurt. But it was again — it was a stop-gap, nothing long term. And to this point in time, we still don't have anything long term.

And then that brings us to the present, Mr. Speaker, to this year's budget. And we see this government backing away from agriculture — reducing the coverage under the crop insurance program, eliminating the tax rebate on . . . education tax on

property, agricultural property, and allocating less money to their provincial budget for agriculture, Mr. Speaker. And so what kind of message — when you look at that type of history — what kind of message does that send to other parts of the country?

I'm sure the federal people — the federal Agriculture minister, the federal Finance minister, perhaps the Prime Minister — they're looking and saying well, is this government . . . is this Saskatchewan NDP government really serious about agriculture? Do they . . . do they . . .

The Speaker: — Order, please. Order, please. Order, please. Order. Order, please. Order. Order.

Mr. Hart: — Mr. Speaker, as I said when I started my remarks in this section, I'm not trying to be critical, I'm just trying to lay out the facts as they may be seen in Eastern Canada, Mr. Speaker.

And I think it's important that we all take this issue very, very seriously because it is a very, very serious issue. And that this government has to make a . . . make some kind of a movement, send some sort of a signal to our federal government that this is a very serious issue, Mr. Speaker.

So farmers of Saskatchewan are asking, well where do we go from here? And I would say, Mr. Speaker . . . I have a couple of suggestions that we, as elected legislators can do.

I think we could support the farm organizations from across Western Canada that called on the federal government to come up with the \$1.3 billion trade distortion payments, Mr. Speaker.

Those farm organizations were made up of various organizations right across this country — the Grain Growers of Canada, the Keystone Producers of Manitoba, APAS (Agricultural Producers Association of Saskatchewan) from Saskatchewan, and Wild Rose from Alberta. Mr. Speaker, I think all farmers across Canada recognize that we have a huge problem here, Mr. Speaker, and I think we should support that initiative.

We need to talk to our American neighbours. Perhaps what we need to do is have joint meetings between elected officials — whether it be at the federal or provincial level and the state level, Mr. Speaker. We need to put our case forward and let them know how their programs are hurting us, Mr. Speaker. And I would encourage farm organizations to do the same, Mr. Speaker.

But having said that, if those . . . if those discussions don't lead to any solution of this . . . with this problem, Mr. Speaker, I think it's time that we, as Canadians, stand up to our American neighbours. I think it's time to stand up to the schoolyard bully.

If you stand up, you better be prepared to maybe get a bloody nose, but I think it's time to draw that line in the sand and say, look, this is enough. We've been there for you in Afghanistan, we've been there for you in other areas of the world, and this is what you're doing to us. And I think we have to urge our federal government to do that, Mr. Speaker.

So, Mr. Speaker, having said that, I think, as I said, I think it's very important that we as united elected representatives send this message to Ottawa that this has huge potential . . . potential for huge damage to our industry and to our province, Mr. Speaker. And so, Mr. Speaker, I would say that I would be very happy to support both the motion and the amendment, Mr. Speaker.

Hon. Mr. Cline: — Thank you, Mr. Speaker. Members here will know that it isn't every day that I get up and speak on a subject pertaining to agriculture. But I think it's important that we all take part in this debate and that people from rural areas and urban areas, such as I am, stand together with respect to this issue because it is an issue that affects everyone in the province. It does not just affect producers and rural people — it affects producers and rural people for sure — but it affects the people that live in the towns and the cities, and ultimately, it affects the provincial treasury. And I want to talk about that, Mr. Speaker.

I want to start out by saying . . . by making this point, Mr. Speaker, and that is that it is pretended by our federal government in Ottawa that we have free trade between Canada and the United States. That is what our federal government does — it pretends we have free trade between those two countries, and it designs its farm policies based upon the pretence that there is free trade so that the federal government says we don't have to subsidize our farmers because we have free trade with the United States, even though the United States pays heavy subsidies to its farmers, as the other members have said.

And I want to say that as the member from Last Mountain-Touchwood said, Mr. Speaker, and as others in the debate have said, these subsidies are not going to go away — they are not going to go away. The federal government wishes that they would go away and pretends that they would go away or have gone away.

But we know from the meeting of the GATT (General Agreement on Tariffs and Trade) countries that took place earlier this year that when — or last year, I should say — that when they agreed that they would begin to negotiate the doing away of agricultural subsidies, they set out a schedule of negotiations over the next nine years. They will talk about it for nine years before something might happen — it might happen.

But I agree with what the members here, including the Premier and the member from Last Mountain-Touchwood, said. It's something that might happen. But you know what? It's not going to happen.

It's not going to happen because people who live in Europe and have suffered under wars on their land and, as the member from Last Mountain-Touchwood said, people in the United States who were shaken up by September 11 want security, and they want security of food supply. And so those subsidies aren't going anywhere. But we pretend as a matter of federal policy that they have, or they will. And it is totally untrue.

And in that sense I think it's fair to say when referring to federal farm policy, the emperor has no clothes. The emperor has no clothes whatsoever because the whole policy is based upon a pretence.

And I might add that the United States in engaged in a pretence as well. Because the United States, in their rhetoric, pretends that they believe in free trade. They don't. They believe in free trade when it suits them, and they don't believe in free trade when it doesn't suit them. So we get hit by the softwood lumber duties when we try to sell our lumber, and our producers get hit by farm subsidies when they try to sell their farm products.

And I agree with, and I think we all agree with what the member from Prince Albert said, the Minister of Industry and Resources, which is that we know that our producers are amongst the best and most efficient in the world, and the quality of the product that they produce is among the best in the world. And they could not only compete on a level playing field — they would win hands down, Mr. Speaker. There is no question about that.

But there is no level playing field because they are thrown onto a world market where it is absolutely impossible for them to succeed. It is impossible for them to succeed. And the member from Last Mountain-Touchwood actually described it very well. Because he said, it doesn't really matter what price the American producer gets for his product, because as long as he's guaranteed his income from the Government of the United States, it doesn't make any difference what the price is.

And it is impossible for a Canadian farmer to put his or her product on that kind of market and make a living. It's simply not possible. And it has nothing to do with the ability of the producer in Canada. It has nothing to do with that at all. It has to do with artificially low prices because the price doesn't matter when you're paid by the government.

(16:30)

And in the United States, they've been paid by the government for a long time. Now it's getting a lot worse. And the same is true in Europe. They rely — the farmers in Europe and the United States — on direct payments from their federal governments.

And I want to tell the House, Mr. Speaker, as I did in a release I sent out last week, that when I went to Corner Brook, Newfoundland last Wednesday for a meeting that took place on Thursday and Friday with the federal Finance minister and the other provincial Finance ministers . . . they were there to discuss fiscal arrangements as between the federal government and the provinces. In other words, how much equalization do we get? How much transfer support for Health do we get? And it was mainly about Health.

But I want to report to the House that when I had the opportunity to raise in front of my provincial colleagues, but most importantly the federal minister in Corner Brook that — Paul Martin, the federal Minister of Finance — my words then were exactly as they are today except abbreviated. And that was, I said to him, Mr. Minister, you are pretending that we have free trade, but you are throwing our producers, you know, onto the mercy of a market in which they cannot compete and we have to acknowledge that. We have to acknowledge that federal policy is based on a falsehood.

Mainly I wanted to tell the House that this is something that

when we have the opportunity, we raise with the federal government at every opportunity. Although, I also know that the provincial Minister of Agriculture, my colleague, the Deputy Premier, is raising this constantly with the federal government, and I think meeting with the federal minister very soon this week perhaps or next week.

Well I said at the beginning of my remarks that I wanted to speak on this because it affects us all. And I wanted to speak on it as provincial Finance minister as well. Because when you get right down to it, what has happened here is — and it's been going on for a long time, but now it's accelerating and it's going to continue unless something is done — the producers in Saskatchewan and elsewhere, in Manitoba, Alberta, and if they have grain producers in Ontario and BC to some extent, they are being robbed of their incomes by these international subsidies. That is what is happening.

And, as I said, it's impossible for them to compete. And for the provincial economy, that doesn't just affect the producers, that affects everyone. Because it means that the producers' profits are not there; the profits that they deserve and that should be there. And so that money doesn't go to them and then it doesn't go into the provincial economy generally, whether you're talking about implement dealers, or contractors, or retailers, or input suppliers who will sell to farmers, and ultimately the provincial treasury, you know.

And I think of my neighbour in Saskatoon who is an implement salesperson, and that's how he's made his living for a long time — I think almost his whole life — but he's not an implement salesperson any more, Mr. Speaker. And some of the dealerships are gone too because the money isn't there.

So when farmers get less, the service industries that serve farmers get less, and businesses generally get less because farmers are like everybody else — they spend their money. And ultimately the provincial treasury gets less, and so that we have less to deal with on behalf of all of the people of the province.

And so we all lose by this, Mr. Speaker. We all lose. The producers lose but so do all of us and we all suffer the effects of it, the effects of very distorting trade wars.

And we all have been left high and dry by the federal government which pretends the problem doesn't exist — and that is the long and the short of it. We're left high and dry by a federal government that, in this instance, simply pretends that the problem doesn't exist when it stares us in the face.

And now I want to say of course, the question . . . When we're under this kind of pressure which affects us all, and it affects us in government when we're trying to put a budget together because we don't have the revenues that we would like to have, because farm incomes are down and therefore the economy's down and incomes are down generally, and the question may be asked, well, you know, if the farmers are in difficulty then you're the government — looking at the province — why don't you come up with the money?

And I suppose I would say this, Mr. Speaker — it's obvious but sometimes it needs to be said — the provincial government is only the provincial taxpayer in the sense that whatever we do,

whatever we spend on behalf of the province, we have to get that money from the taxpayer.

Now the problem, of course, is that the provincial taxpayer base has been eroded, as I've tried to say, and made weaker when the farm economy is hit by this kind of situation.

And it seems clear to me, and I would make the argument, that you can't ask the provincial taxpayers, the taxpayers of this province to go head to head or toe to toe with the treasury of the United States of America. Most reasonable people would know that's not going to work. And you can't ask them to go toe to toe or head to head with the treasuries of Europe because the provincial taxpayers don't have that kind of money.

And it seems to me that we need to be united here because we are, in Saskatchewan, 3.4 per cent of the population of Canada but we have 42 per cent of the arable farmland. In other words, we've got the biggest problem from this situation but we don't have that many people; and clearly, therefore, it is a federal responsibility to deal with international trade issues, to fight international trade wars, and to match the subsidies paid by other federal governments.

And I think most people would understand that that is the case when we in Saskatchewan, with 42 per cent of the farmland, are really the ones that are most severely targeted or affected by the US subsidies. We should not be left alone, Mr. Speaker. We should not be left alone by our federal government to fight this fight.

And I have to say I always was in agreement with — and still am — something the former minister of Agriculture, Eric Upshall, used to say and I thought it described the situation very well. And that is, he used to say, you don't ask somebody who is bleeding badly to give themselves a blood transfusion. You don't ask somebody who's bleeding badly to give themselves a blood transfusion.

And I think all of us in this House have to be united and realize if we're bleeding badly as a province and a people because the producers are hurting and the businesses are hurting and the provincial tax . . . provincial treasury is hurting, if we're the ones that are bleeding, we shouldn't be looking to ourselves to give ourselves a transfusion because we'd have to get the ones bleeding to donate the blood. We've got to have some assistance from the federal government.

And it seems to me, Mr. Speaker, that this has gone well beyond — well beyond — the situation that anybody is whining and complaining or crying wolf about a problem that doesn't exist. This is a real problem that affects real producers and affects real people in a very real way. It has got to be dealt with and it affects everybody.

So it seems to me, Mr. Speaker, that for those reasons we need to be very united and focused. We need to be dealing with a very serious situation in a united way. And to do that it's seems to me, with the greatest of respect to any who may disagree, that we need to, in a united way, focus our efforts on the federal government and not be divided in our message but say to them: we're bleeding; we can't give ourselves a transfusion; please come to our assistance in the way that a national government

should. So thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Thank you, Mr. Speaker. Mr. Speaker, I am pleased both as member for North Battleford and on behalf of my party to express my wholehearted support of the motion before this House.

Now I would like to also say that I appreciate the comments of the Leader of the Opposition to the effect that we had the farm . . . the farm crusade to Ottawa. It is time now for key leaders from Ottawa come . . . to come to Saskatchewan and to see the situation here first-hand. And that if they do come — and I trust they will — they will be welcomed because we know that this country works when all regions and all sectors of the economy are treated fairly.

We know that, as a country, when there is a crisis — say in the cod fishery of Newfoundland — we expect our federal government to respond. When there is a crisis in . . . with farm commodity prices in Saskatchewan, we again believe that we have an economic and a moral right to call on the support of our fellow Canadians and on our federal government.

Now a number of members have mentioned that shortly after the last provincial election, there was a delegation composed of all parties in this House and a number of leaders in the farm community that went to Ottawa to meet with the members of the House of Commons in Ottawa to explain the position. And sadly, I am forced to concede that that trip to Ottawa was not a success. Not only did we not succeed in getting additional help from our farmers but furthermore . . . furthermore, the delegates were not even treated with a great deal of respect.

And the federal Liberals, who had strongly supported the establishment of a coalition, I think history will say they weakened the coalition at that point.

But more important, it led to a discouragement of our producers here in Saskatchewan and their right to know that their federal government stands behind them. I think in other . . . in other international meetings we went to — and I'm pleased with the comments of the Premier this afternoon — in other meetings we went to, for instance world trade in Seattle, we fell in line with the federal government in saying that the first order of business must be to reduce international subsidies.

Well at first glance that seems to be a worthwhile goal. But I, like the Premier, increasingly upon listening to our colleagues in other countries in the world, came to the conclusion it was simply a non-starter. The US says they have subsidies because the European Union has subsidies; and the European Union I think made it abundantly clear to us that this is a matter of policy with them and they are not going to change.

The Europeans use the phrase multi-functionalism. Now that's a \$10 word that's hard to get your tongue around, but as I understand it, it means social policy. They are going to support agriculture as a matter of social policy. They don't care how much it costs, they are not going to change. They are not going to change their policy.

Therefore we have to adopt our national policy here in Canada around the given that other countries will be subsidizing. And it is simply a blind alley for us to develop Canadian policy around, well, Europeans and Americans shouldn't be doing this; because Europeans and Americans are doing it and are going to continue doing it. So how will we respond?

I'd also like to say, Mr. Speaker, that I agree with the Deputy Premier that farm support cannot be based on 60/40. I agree that this province simply does not have the tax base to support much in the line of agriculture support programs if we have to contribute to the tune of 40 per cent.

The figures we have heard from the media suggest that US farm subsidies will be in the region of \$17 billion a year. Now that's American dollars, that's not Canadian dollarettes. Put in another sense, that is five to six times the total provincial budget of Saskatchewan. Saskatchewan clearly does not have the resources to compete, and indeed I would question whether the whole of Canada does.

(16:45)

But in pressing our federal government to support our producers, I think we should not totally lose sight of the fact that the goal has to be a viable and sustainable agriculture industry, not one based on a false economy. And I think that the ACRE (Action Committee on the Rural Economy) committee members did us a service on Monday night when among the information they supplied us was to the effect that, despite US subsidies, North Dakota producers are in fact no better off than Saskatchewan producers.

Now how can that be, Mr. Speaker, in view of the billions of dollars going into North Dakota? The answer appears quite simply, the answer appears quite simply that the . . . that it has gone into the price of farmland. And farmland that would go for \$400 an acre in Canada goes for \$2,000 an acre in North Dakota, and that's where the subsidy money has been lost.

While I said that I accept that we cannot afford to participate in major programs that are 60/40 shared, I've said that our federal government has to stand behind our producers, however, I would like to say that the . . . when I was part of the Romanow government, they brought in the 25 per cent reduction in the property tax. And I think that was a small step by the then Agriculture minister, Dwain Lingenfelter, to try and come to the aid of our producers.

And I think that was important, at least in a symbolic sense, because it seems to me that we cannot, as a Saskatchewan legislature, call on Toronto taxpayers to care more about our farmers than we care. We can't be in the position of saying, well Toronto should care even if we don't.

And we know that, we know that now Dwain Lingenfelter is gone from the government. We know that there are other members of the government who have taken the position that their back alleys . . .

The Speaker: — Order, please. Order, please. Order, please. Order.

Mr. Hillson: — Thank you, Mr. Speaker. We know that there is, there is some tension, some rift in government ranks between those who agreed with Mr. Lingenfelter that coming to the support of our producers was important, and those who took the position that their back alleys in Saskatoon were more important than the highways connecting our small communities. Now unfortunately, in this year's budget when the 25 per cent rebate on the education tax on farmland was dropped, I think we know which group is now in the ascendancy.

But that said, I do concede that we cannot support our producers without the assistance of the federal government. I believe and say that we have both an economic and a moral right to that assistance from our federal government — that part of being a nation, part of being a federation, is that all regions, all sectors of the economy have a right to fair and equal consideration.

And I hope and believe that when ministers of our federal government visit this province, when they see first-hand the situation in this province, that we will have the sympathetic ear that we deserve and that frankly we did not receive when we went to Ottawa in October of 1999.

And I support both the motion and the amendment.

Amendment agreed to.

Motion as amended agreed to.

Hon. Mr. Lautermilch: — Mr. Speaker, leave to introduce a motion of transmittal.

Leave granted.

Hon. Mr. Lautermilch: — Mr. Speaker, I move, seconded by the member from Cannington:

That by leave of the Assembly, the Speaker, on behalf of the Legislative Assembly of Saskatchewan, transmit copies of the emergency motion just passed by this Assembly to the Prime Minister of Canada, the federal Minister of Agriculture, the federal minister responsible for the Canadian Wheat Board, the federal minister responsible for International Trade, and the federal Minister of Finance.

I so move.

Motion agreed to.

The Assembly adjourned at 16:52.