

The Assembly met at 9 a.m.

Prayers

## ORDERS OF THE DAY

### SPECIAL ORDER

#### COMMITTEE OF THE WHOLE

##### **Bill No. 87 — An Act respecting amendments to Certain Farm Income Insurance Legislation**

**The Chair:** — Order. Order. Order. Order. Order. Order. Order.

I would ask the Minister of Agriculture to please introduce his officials.

**Hon. Mr. Wiens:** — Mr. Chairman, good morning. I'd like to open up the session by introducing the group of officials with me. Mr. Stuart Kramer, on my right, the deputy minister of Agriculture and Food. On his right, Mr. Terry Tangjer, president of the Saskatchewan Crop Insurance Corporation. Behind Mr. Kramer, Hal Cushon, the market analysis . . . the manager of the market analysis section, the economics branch, Department of Agriculture and Food. Beside Hal is Mr. Henry Schappert, the manager of the planning and development division of the Saskatchewan Crop Insurance Corporation. And on my left is Ms. Lorelle Schoenfeld, Crown solicitor to the Department of Justice.

#### **Clause 1**

**Mr. Martens:** — Mr. Chairman, and Mr. Minister, I want to begin by asking you to, item by item on the whereas's, to explain what you mean in each one of them and I will deal with them one at a time and there's 10 of them, I believe. And I want you to give me an explanation of each one as we go through them, and in that context I'll read the first one. It says:

Whereas the Legislative Assembly recognizes that farm income insurance programs should encourage good farming practices, provide reasonable protection to producers and be efficiently administered in the interests of Saskatchewan taxpayers;

Would you give me an explanation of that, please.

**Hon. Mr. Wiens:** — Mr. Chairman, I think the first clause is reasonably self-explanatory. It is the intent surely of support programs and stabilization programs to encourage good farming practices. That's the assumption that's been made in the federal agricultural policy and certainly supported by our GRIP (gross revenue insurance program) review committee, that protection be reasonable for producers and that administration be efficient. The members opposite may be aware that there were three conclusions drawn by the GRIP review committee with respect to changes that needed to be made and which have been implemented in the program that is described in this legislation.

One was that we needed to have farmers respond to their farming signals and not to program signals that they had identified as the problems through their consultation; that there needed to be . . . crop selection needed to be guided again by market signals and not by program signals, and that there needed to be efficiency in administration.

And it was for those reasons that the review committee recommended that the program be established as a separate revenue and crop insurance program, that it be designed in the fashion that it was. And that because it facilitated all of those observations they made and the administrative efficiency was dealt with in the model that has been presented and is now being implemented by removing the necessity for annual bin measurement and the many difficulties that caused.

**The Chair:** — Just to remind members that there are far too many other conversations going on, all of which combined provide somewhat of a distraction for the business of the committee. And therefore I ask you to tone it down.

**Mr. Martens:** — Mr. Chairman, and Mr. Minister, I wonder, in your opinion, whether good farming practices were more adequately followed this year versus last year. Would you give me some factual estimates in relation to that, that could demonstrate that you have provided a program that encourages far more good farming practices this year versus last year?

**Hon. Mr. Wiens:** — Mr. Chairman, as the member opposite may be aware, last year in the design of the program in Saskatchewan some corrections were not made that were made in Alberta and Manitoba. The consequence was that producers in Saskatchewan were very unhappy with the program as designed last year, and that unhappiness was expressed in the collection of farmers in large numbers to identify the weaknesses in the program.

The GRIP review committee then met with everyone who was interested in presenting their position to them — in excess of 300 individuals and organizations — who collectively made the kinds of observations that resulted in change in the end. The observations were, and I think at that point because the program was in its first year, it was the observations of people who brought their opinions to the committee, that in fact the program had encouraged farmers to use practices that they would not ordinarily do. And in fact it would be a good financial management practice to in fact adapt practice the way the program last year was designed. And so the response to that was that some changes needed to be implemented.

In Alberta and Manitoba those changes were implemented last year through the Jackson offset and the superior management index that partially compensated for the problems that were not corrected in Saskatchewan.

The Saskatchewan committee observed what went on in Alberta and Manitoba. They looked at what had happened in other areas of Canada. And having observed that, they concluded that the program should be designed

as it has been designed in Saskatchewan.

I think, while I have not got any factual evidence that has been presented to me in a scientifically constructed fashion, several weeks ago there was a newspaper article that indicated that input use in Saskatchewan had increased by 22 per cent this year. I think, understanding that in our neighbouring province to the west the input use increased only by 1 per cent, indicates that farmers went back to looking at what they would like to do in the penalty of the program. And many of them made the choice to restore their input use to a higher level than it had previously been. Because when they looked at their opportunities in the market, that seemed to make sense to them.

So there are those kinds of signals that in fact the program has freed farmers to make their own decisions again.

(0915)

**Mr. Martens:** — Well, Mr. Minister, I think that if you're going to say that in here, you'd better have factual evidence to provide us with so that you can demonstrate to us that you do have facts that prove that better farming practices were followed last year . . . or this year versus last year.

You said fertilizer sales were up. I will contend with you, sir, that probably in the north-east and the north-west where fertilizer was applied, is the reason why they had burn-out on their crops this year because they didn't have rain to use up the fertilizer, in fact just sufficient to use it up and get extra growth that wouldn't be making the volume of production equivalent to the rainfall.

And so what in one way seems to say, well maybe I shouldn't have applied fertilizer this year because of a shortage of rain — they decided to do it — was not probably a decision based on the program; it was probably a decision based on a traditional kind of farming practice. And so what I wanted to know is: do you have facts to prove, facts to prove that encourage good farming practices, this program over last year?

I would say, sir, that if you drove from here to where your home is and up around through Saskatoon, you would probably see only one or two fields that you, sir, as a farmer, would realize that there was poor farming practices. And I didn't see any more this year, and I've driven around the province just as much this year as I did last year. And I don't see where you have any reason to believe that good farming practices were followed this year versus last year. Unless you can prove that, then I raise the question: why do you have it in here?

**Hon. Mr. Wiens:** — Mr. Chairman, just to correct the comment the member opposite made the . . . What I said was that farmers chose a higher level of input use this year, not specifically fertilizer. I believe farmers should make their own choices on that score. Some farmers choose not to use fertilizers; some farmers choose not to use chemicals. Those are production choices they make according to their values and their economic assessments.

The difficulty with last year's program is that it in fact biased those decisions. The people looked at the program and said: if I follow the program, what is my best financial position? It's a reasonable financial management decision to take and look at a program and say: how best can I maximize my returns under these circumstances?

The committee identified not that farmers had a moral hazard but that the program had a moral hazard, that the program put biases into farmers' decision making that ought not to be there. Those are not my conclusions, Mr. Member from Morse. Those are not my conclusions. Those are the conclusions of a 10-member committee, even including the members of the . . . that wrote a minority report. Their observations about the landscape, about what happened last year were the same.

I think you can go talk to any farmer in any coffee shop in Saskatchewan and they will identify that that happened last year. That's not something that they should be ashamed of; that's something that those who designed the program should be ashamed of, that we designed a program that encouraged the farming practices that would not be the normal farming practices. It was recognized by Alberta and Manitoba and they at the outset corrected that in part.

And so I think one could look at the evidence, that Alberta and Manitoba chose to correct it before the program even began, to say that that was a risk. You can look at the committee who said it was in fact a risk. You can look at the results that said last year in Saskatchewan there was a reduction in input use by 9 per cent and that this year there was an increase of 22 per cent. I think you can put all of those things together and say farmers made the decisions this year based on what was good for their farms in the normal way that they would make them, not biased by the program.

**Mr. Martens:** — What was the volume of production in each of the crops last year? In wheat, durum, barley, oats? Give me the volume of production in every one of those crops as not only estimated, but as what your department can provide for you in a volume of production.

**Hon. Mr. Wiens:** — Mr. Chairman, the information is not immediately available, but it can be within a number of minutes, and we can discuss that then.

**Mr. Martens:** — Would you be able to provide the volume of wheat production as a kind of an estimate, what you had last year? Would you be able to provide that for this committee at this point?

**Hon. Mr. Wiens:** — Mr. Chairman, we will get that information and try to present it accurately in a minute.

I want to excuse myself from the proceedings now, to engage in another function with respect to my responsibility as Highways minister. And I ask Mr. Cunningham to take over for the time that I'll be gone.

I look forward to coming back and continuing the discussion. Thank you very much.

**Mr. Martens:** — Mr. Minister, would you be able to

provide for me an estimated volume of bushels on the wheat side so that we can talk about that?

**Hon. Mr. Cunningham:** — We don't have that number. We'll get it here in a . . . very shortly.

**Mr. Martens:** — Well I'm suspecting it's going to be somewhere in the neighbourhood of 24 or 25 million tonnes, metric tons. That's what I'm speculating. Your estimate for this year is twenty-one and a half.

Now you're going to tell me that last year you had good farming . . . or poor farming practices by the farmers in the province of Saskatchewan. They had higher yields than this year. And this year you've got 21 million metric tons . . . twenty-one and a half million, estimated, and you're going to have better farming practices this year than you had last year. That's what you're trying to tell me.

And I want to make the point, rain does more for production than fertilizer in this province, more than chemicals, more than anything else. And how much rain did we have last year? We had way more rain last year in the province of Saskatchewan than we've had in our history. Places in my constituency had 30 inches of rain. And that's significant more than what we usually get. Five is what we got this year, and that's the reason why we have a problem.

And I want to know from you and your staff is: how do you measure good farming practices in view of your statement here? I'd like to have proof of the fact that you have seen 25 per cent less people doing things in their fields as they normally would have done this year over last year . . . last year over this year. I want to know that. And I think we . . . You made a statement here, and I want you to prove it.

**Hon. Mr. Cunningham:** — Mr. Chairman, we'll concede that rain does help crops grow. I don't think that's a major argument. I think everybody knows that in Saskatchewan yields vary more due to natural conditions than it does to farming practices. However that does not mean that farming practices over the long term do not have an influence on the yields.

And I think when you try to run a program that gives signals to farmers that tells them what farming practices they should use, that will never produce in the long term the same kind of good farming practices that we will get by letting farmers make their own decisions based on the market and based on what their estimate of weather and conditions on their farm and their soil will do. And I think that is the essence of the changes that were made to the GRIP program.

This is not something that was dreamed up by the Minister of Agriculture. We had a committee that had 300 submissions, none of which suggested the program remain as it was, all of which were looking at changes. And it was a judgement of the GRIP committee that the program that we had was attempting to dictate to farmers how they should farm and how they should make management decisions. And it would be much better to have a program that allows farmers to make their own decisions based on their farm and their estimate of market

conditions.

**Mr. Martens:** — Well, Mr. Minister, as I understand this Bill, what we're going to have and why these whereas's appear, is to provide proof that your legislation is required. Now it says here that the program should encourage good farming practices, and the statements made by you and others have said that this year's program enhances good farming practices.

Now you need to have proof of that, in my opinion. If you're going to make a statement of that kind, an observation of that nature, you're going to have to have proof of it — to me, to the people of the province of Saskatchewan. And you need to tell me what you have for proof of that.

**Hon. Mr. Cunningham:** — I think some of the proof lies in the problems that occurred in Manitoba where lentil acres went way out of whack to what the market suggested. The proof lies in the fact that the submissions to the committee, the farmers themselves, were telling us that the old program did not encourage good farming practices. I don't think that anybody will argue.

I mean if the members opposite are arguing that the government programs, that government can decide and make decisions for farmers and they will be better than farmers making their own decisions, I question that, and I think it's very hard to prove in terms of yields.

As the member opposite knows and has pointed out, the yields do not depend solely on farming practices. In fact, they depend probably 70, 80, or 90 per cent on weather conditions and on natural occurrences. But the fact that the use of fertilizer went up in Saskatchewan this year, the fact that we didn't have the same lentil problems that Manitoba had, I think all prove that the new program does indeed let farmers make their own decisions. And I think that is ultimately going to be a better management decision, having farmers make their own decisions rather than being forced to make decisions by government programs.

**Mr. Martens:** — Well, Mr. Minister, I want to know — I see you have those figures — if you would be able to table them for me so that we could discuss them to see what estimates there would be in production this year over actual last year, and then I'd like to see them.

**Hon. Mr. Cunningham:** — Just to prove that Saskatchewan alone is not . . . we aren't the only ones that recognize a problem with the old program. This is a report, the future program design by the National GRIP Committee and what they say about the old program, the individualized price offsets, and so on. It says:

. . . is in direct conflict with the objective of maximizing the level of market responsiveness and minimizing the potential for moral hazard and program abuse.

That's from the National GRIP Committee.

(0930)

**Mr. Martens:** — Well would the minister be able to tell me which country does not have government intervention in the market-place? Which country in the world does not have intervention in some way from the taxpayer in the market-place?

**Hon. Mr. Cunningham:** — I think all countries including Canada have intervention in the market-place and in farm subsidy programs. The object of the game is to subsidize farmers and keep them on the land without distorting the farmers' ability to make decisions.

And some programs . . . I think that's the crux of what all countries are trying to move towards in the GATT (General Agreement on Tariffs and Trade) negotiations. They want to decouple support. They want to have support programs that support farmers, that don't dictate that farmers over-produce certain grains; that let the market decide which grain should be produced and how they should be produced.

And I think that's the objective of this program. We're still supporting farmers but we're doing it in a manner that lets the farmers make their own decisions about what to grow and how to grow it.

**Mr. Martens:** — Would the minister be able to tell me what difference the export enhancement has on the Chicago price on a variable basis?

**Hon. Mr. Cunningham:** — Mr. Chairman, I certainly do not support the export enhancement program. I think that's one of the problems that is creating our problems in Saskatchewan here. The world trade war where people are subsidizing unfairly is causing world prices to be low. There's no question that's what the problem is.

I don't think we should compound that problem by developing a program that sends the wrong signals to our farmers to produce in the world conditions that we're in.

We need to support them. We realize that farmers cannot compete on their own in a world market against other treasuries. We are asking for — and we are doing what we can as a province — we're calling for the national government to do more, which is where the export enhancement program comes from. It comes from a national government. That's where the Economic Community gets their support from. They get it from a national government. And we're calling on our national government to do more for our farmers.

But to do more doesn't mean we do it in such a way that distorts the market, that floods the market with lentils or floods a market with durum and produces less. We still need to produce as efficiently and as . . . we want our farmers working as efficiently as possible and producing, making the best decisions that they can in the markets that's there. And then we will pick up and support them as best we can from there on.

It doesn't make any sense to have our farmers produce the wrong things in the wrong way and then subsidize them, and ask the taxpayers to pick up an even bigger load of the subsidy.

**Mr. Martens:** — Well, Mr. Minister, you still haven't come to me with a legitimate reason for providing to the province of Saskatchewan a change in program based on the fact that farming practices were better this year than they were last year. You haven't provided me that information.

I want to know whether you have facts to prove that. That's what I want to know. And if you're going to make this statement here to prove what you're going to do for changes in the Bill, you better have facts to do it. Because you have to prove what you're doing here. That's what I want to know. And I want to know how much your wheat production last year was over this year.

**Hon. Mr. Cunningham:** — I think the proof that will come with the program, the judgement of the changes that were made were made by the GRIP committee that we established. We had 10 people on there — 10 producers. It was their judgement that the changes we would make would encourage good farming practices. And I think they're right.

I think the proof does not come in this year's yield as compared to last year's yield. As everybody knows, it rained a lot more last year than it did this year. But I think the proof comes from things like the problem that Manitoba had with lentils. The proof will come over a period of years when we see neighbouring provinces, if they are foolish enough to stick with the programs that they have, the problems that they will have with their program and the problems . . . and the way that our program will function, I think you will see this program be actuarially sound because it will encourage farmers to grow the crops that are most suited for the market.

I think the programs in the neighbouring provinces may well not be actuarially sound. And I think the proof of this program will come over a period of years. And I think the judgement that was made that this program would encourage good farming practice, which was made by the GRIP committee — they couldn't prove it when they made it. And I don't know how quantitatively you could come to that sort of proof.

I think the proof that I see is that farmers themselves told the GRIP committee — 300 submissions — that that was . . . that the old program was encouraging poor farming practices.

**Mr. Martens:** — Well, Mr. Minister, you are the minister responsible for Crop Insurance. You have your president sitting right here. You should be able to tell me today whether good farming practices were followed or were not followed last year as it versus this year, as a comparison. And let's see whether they were. And I'd like to know that. You should be able to have those facts and figures here to prove to me and to the people of the province of Saskatchewan that we in fact had bad farming practices last year because of the program.

**Hon. Mr. Cunningham:** — I think part of the problem that the GRIP committee saw and the comments that they made with regards to the program is that because of the lateness of the program in '91, that there was much less effect in '91 than there would have been in '92.

I think as we approached the winter, last winter, I think the potential was there for major shifts in crops that were seeded and major changes to farming practices to conform with the program — not because farmers wanted to engage in poor farming practice, not because they wanted to rip off a program, not because they wanted to take advantage of taxpayers, but just simply because economically, based on good, sound management with a program that was there, it dictated doing things differently than it would if a program were changed, as the change that we implemented were made.

Farmers were phoning me, saying, I want to seed what grows best on my farm. I want to do the best job I can of farming, but under this program I'm forced to go out and use less inputs, to seed lentils or . . . if I want to survive. Because the program discriminates against people who want to seed barley. And that's I think was what would have happened with the program in '92.

Now if you want hard facts and numbers, I think it takes . . . certainly will shape up over time. I think farmers will make the judgement of whether or not these changes encourage better farming practices.

**Mr. Martens:** — Can the minister provide for me a volume of acres in 1990, in the various crops, 1991 and 1992? Would you provide that for me so that we can see whether there was crop distortions, or whether the good farming practices were followed? Would you provide that for this committee?

**Hon. Mr. Cunningham:** — I have some material here that we can send over to you. I'll just quote a few of the things. I think one of the things that you'll notice from '90, durum acres, is 4 million . . . 4.1 million. It dropped down in '91 to 3.9 million, and that was in response to a rather large discount to spring wheat in the market-place. In normal conditions that those, without the GRIP program, probably would have dropped substantially more.

Those sorts of distortion cost the program millions of dollars. And that was the sort of problem that you have when you have a program that does not allow farmers to seek what's best for the market. But the other farmers and the taxpayers and everybody picks up the cost of those distortions. And I will get a copy of this information and send it over to you.

**Mr. Martens:** — Have you got the volume of production last year on your grains over estimates this year?

**Hon. Mr. Cunningham:** — The '90 and '91 acres and yields are in . . . in total production, are in the numbers we're sending you. The estimate for '92 are still just estimates, but we can give you those as well.

**Mr. Martens:** — Okay. I'm going to move to the next point and when I get that, I'll go back to this one.

It says here: to provide reasonable protection to producers. What kind of protection, in your mind, is reasonable — number one? And how do you relate that to your stand on cost of production that you took during the election? And you told us over and over again that you're

going to do this and you're going to set it up based on the cost of production. You tell me what you think that that means in relation to that statement.

**Hon. Mr. Cunningham:** — Reasonable coverage is coverage that allows the farmer to survive during times of natural disaster and during times of international price wars and so on. We don't believe that that necessarily means guaranteed 100 per cent of average income in any particular year or 100 per cent of cost of production, although it certainly would be something that you would strive toward.

The program as it now exists gives 80 per cent crop insurance at market value. For years in this province we farmed with 70 per cent of crop insurance at a fixed price, and at average we now have 80 per cent coverage of individual average at market price. As production insurance, I think we feel that that is an adequate production insurance. That if a farmer is guaranteed 80 per cent at his individual average yield at the market price in a given year, that is probably adequate protection on the side of production insurance.

On the protection from international price wars, we agree that the protection is not adequate. We also agree that the formula for arriving at the protection, using a 15-year floating average, is a ridiculous way to calculate what the price support level should be. Seventy per cent of a 15-year period, where in at least half or two-thirds of those years the price was inadequate to live on, and to take 70 per cent of an inadequate price as a guarantee for a price, is not adequate. And we agree with that.

And we would, and are continuing to, pressure the federal government to live up to its obligation and either rewrite a complete new farm safety net program and to scrap this program completely and start over again, or make changes to this program based on the cost of production. We should have 80 per cent of the average cost of production instead of 70 per cent of a 15-year floating price average.

But realizing that we're in a federal-provincial agreement, and we do not have the resources nor the power to deliver an adequate program from a provincial basis, we have no choice but to live with the program that's there and continue to work for a better one.

In the meantime we've made changes to the program that were there. They were a great improvement which took out some of the problems with the old program, made it more market responsive, made it more actuarially sound, which is better for the taxpayers and also better, incidentally, for farmers who are going to be stuck with the premiums.

If our lentil acreage were to go up four times like it did in Manitoba, that could cost the program anywhere up to \$200 million. And that is going to have to come out of not only taxpayer's pockets but also out of farmers' pockets as they pay the premiums again next spring.

(0945)

**Mr. Martens:** — Well, Mr. Minister, would you be able to

provide me the seeded acres, this year's seeded acres, in the province of Saskatchewan?

**Hon. Mr. Cunningham:** — We will have that in a few minutes, Mr. Chairman.

**Mr. Martens:** — Would you provide for me what your estimate of the cost of production . . . what the components in the cost of production would be.

**Hon. Mr. Cunningham:** — Well as the member opposite knows, the cost of production varies considerably across the province. There are different methods of calculating costs of production, certainly not something that's an impossibility to do. Cost of production includes cash costs like seed, fertilizer, and chemical and so on; it includes taxes and interest and machinery investment and labour and so on. And I think there are different ways of working out a formula that would give you cost of production. I think something that would be relatively simple, would . . . I think, no more difficult to work out a cost-of-production formula than it would be to work out a 15-year floating average that's now used.

**Mr. Martens:** — As I see these numbers here, your average yield on seeded acres in '81-90 were 16 million acres of wheat, an average yield of 715 kilograms per acre; 1991 went up a little bit, went up a little over a million acres. The production actually went up based on average over average from 715 kilograms per acre to 865 kilograms per acre. Now was that because of poorer farming or better farming?

**Hon. Mr. Cunningham:** — I suspect, Mr. Chairman, that was because of rainfall.

**Mr. Martens:** — Right, Mr. Chairman, that's precisely the point. And going back to your statement in your Bill, you better have better reasons than 300 people saying that the program is no good . . . than to state in here that farmers followed poor farming practices last year in relation to management of their farm, to the crops they seeded, or whatever. Then it says here: "encourage good farming practices." And you've got to prove to me that farmers in 1991 followed poor farming practices.

**Hon. Mr. Cunningham:** — In the first place, Mr. Chairman, the member opposite is calling into question the judgement of the members who served on the GRIP committee who did a lot of work, who . . . there were 300 submissions, not 300 farmers; those submissions from some farm groups represented large number of farmers. I think whether or not farmers followed poor farming practices is certainly an argument that can be made. I think that the program encourages farmers to follow poor farming practices is an argument that cannot be made, that it is obvious that that program was encouraging farmers to follow poor farming practices.

If you take a program that says to a farmer: if you grow lentils this program will guarantee you \$200 an acre, it doesn't matter what happens to the price of lentils, it doesn't matter what happens to your crop, you're guaranteed \$200 an acre if you seed lentils; no matter if you put fertilizer or you don't put fertilizer . . . That's the program, you're guaranteed \$200 an acre.

If you grow barley on the other hand, you're guaranteed \$90 an acre. It doesn't matter what happens to the price of barley, it doesn't matter what happens to your crop, you're guaranteed \$90 an acre. Now, Mr. Farmer, you sit down and decide which program you should . . . what good crop to grow. Now the farmer's a logical person; he sits down and makes that decision. Now I think a lot of farmers in '91 grew barley anyway because they felt that that was what their land was suited for and they didn't want to be ripping off taxpayers and they had all kinds of problems about following the program.

But to argue that that kind of program doesn't encourage poor farming practices is ridiculous. I mean that sort of program is the government telling the farmer what to grow, and that is not the kind of program that's going to encourage good farming practices or good crop selection in this province.

**Mr. Martens:** — Well I just want to point out some other things that are a little interesting. Fall rye went down in its volume. You tell me why fall rye when down from '90 at 600,000 acres to 200,000 acres in the province of Saskatchewan. Tell me why.

**Hon. Mr. Cunningham:** — The drop in acres in fall rye obviously had nothing to do with the program, being that they were seeded before the program came into effect. I suspect the acreage of fall rye again is influenced by weather conditions and moisture in the fall and so on, and whether or not it's possible to seed it.

**Mr. Martens:** — Well I just want to point out, Mr. Minister, that the production was up on a per-acre basis. In the province of Saskatchewan production was up last year over this year. Now you tell me whether you're going to be able to prove that the farming practices in 1991 were influenced on production. That's what we're talking about because that's what this is relating to. It's based on the volume of production last year, over 1990, over this year. You tell me why you say that there were poor farming practices last year.

**Hon. Mr. Cunningham:** — Mr. Chairman, it was the judgement of the committee that the program encouraged poor farming practices. Now the extent that poor farming practices occurred is questionable.

But again I come back to the point that you cannot make the argument that this program did not encourage poor farming practices. And eventually farmers left in the atmosphere of that program, making decisions based on the program that was available, economics of . . . Just hard economics would have forced them to start making decisions based on the program rather than based on their own instincts and their own abilities.

And therefore poor farming practices would have been the result of this program over a period of time.

**Mr. Toth:** — Mr. Minister, you continue to argue the fact that the '91 program was encouraging poor farming practices. Isn't it right, Mr. Minister, that farmers were limited to an increase in production or seeded acreage of any specific crop to 10 per cent over the long-term

average?

**Hon. Mr. Cunningham:** — No, Mr. Chairman, that's not true. The only restriction was a restriction on first-time specialty crop growers at a 20 per cent limit. On other crops there were no limits whatsoever.

**Mr. Toth:** — You're saying there were no limits whatsoever? It's my understanding, Mr. Minister, when we were touring the province, when farmers were asking this specific question . . . you come back, just looking at wheat. In some cases, for many farmers wheat was better for their farming practices and for their farm situation; wheat was a better crop to grow.

And if . . . Let's say on a 1,000 acre farm a person normally seeds 500 acres, that person would only be allowed — if I understood the program properly — they would be only allowed to add another . . . they could seed the 1,000 acres but they could only carry protection up to 550 acres. They could only carry GRIP protection on 550 acres because of the fact that they were only allowed an additional 10 per cent production of a specific crop.

**Hon. Mr. Cunningham:** — The restriction was nothing to do with specific crops. You could grow whatever crop you chose. The restriction was on 100 per cent of your seeding intensity of three-year average. So in other words if a farmer had an average of 1,000 acres over the past three years, he would only get coverage for 1,100 acres. And that again shows, I think, the very flaw of the program.

Again we're telling farmers that wants to seed his whole farm this year because it rained a lot and he thinks it's a good year to seed his whole farm down, he thinks that's a good farming practice, we've got a program that says, hey, you shouldn't do that or we won't cover you under the program.

I mean that's the kind of thing that this program was leading to — more and more government control of what the farmer put in his land and how he farmed. And I think the few changes that we've made freed this program up to farmers to decide for himself what he wants to seed, when he wants to seed it, and how he wants to produce. And I think that's the advantage of the changes that we made to the program.

**Mr. Toth:** — Well, Mr. Minister, what you're telling me and what I understood and I know a lot of farmers in our area understood from the program, was that it indeed limited the specific crops . . . or limited your acreage, the amount of acreage you could put into crop. And because of that I might add that the farmers in our area certainly didn't go into large production of lentils; they didn't go into large production of canola, Mr. Minister. They continued to farm based on the productivity of their farm.

And I don't think it's fair for the minister to . . . well maybe the new minister answering the questions will not have the same answers and will not take the same political road that was taken by the former minister. But I don't think it's fair to put farmers into a large basket and say they abuse the system.

And I think you would also have to admit that the '91 program . . . and as the Minister of Agriculture was arguing the other day, where the '91 program set a bottom line, a person, they could choose, they guaranteed the insurance they were carrying. It's just like the amount of insurance I would carry on my buildings on my farm. This is the bottom line I receive.

Whereas this program, there's no real guarantee and it is much less. And farmers are trying to survive out there, Mr. Minister. And so I would suggest that even with this year's program, what we've seen in acres . . . And my colleague raised the number of acres that have gone into lentil production this year, I don't think is an indication that people were farming the program.

I think people were looking at a cash crop to come in because you would have, from what I see, the guarantee on lentils certainly isn't there to encourage larger production of lentils. But what has happened, we see the problem that was created in the Manitoba situation, and what Manitoba did and the federal government did, they addressed the situation prior to seeding.

And what we had suggested all along, Mr. Minister, was with some minor changes, the program could have addressed a number of the concerns that have been raised. And I think the other area of concern that's out there is the fact that this coming fall the federal government is going to be bringing down their changes.

Where are farmers in Saskatchewan going to be? The fact that they've had three major program changes in the last three years, the Saskatchewan farmers are on the outside looking in.

**Hon. Mr. Wiens:** — The circumstance with respect to restrictions on last year's program was that farmers were restricted to seeding 110 per cent of the previous three-year average, as the member's aware. But there was another restriction for new producers of a specialty crop of a 20 per cent restriction on what they could seed within that 110 per cent limit.

The fact is that Manitoba, and their program design this year to overcome the very strong signal early in spring that their lentil production would be very, very excessive, intervened by a pricing alteration in their structure. That would be consistent with our criticism of the existing plan, that the 15-year rolling average price is a very inappropriate signal for this kind of a program.

And in fact the circumstance that arose in Manitoba would confirm that that's so, because the correction that they then made was to approximate closer to a cost-of-production indication in their system so people would not be discouraged for selecting a crop whose 15-year average distorted its attractiveness as a crop beyond what the market-place would do.

It's consistent with the language that the National Farmers Union used in their minority report that was presented with the GRIP report — that in the ideal world a cost-of-production mechanism is a much more positive way of reflecting compensation and stability for crops.

But the program was not designed that way initially. So the fact that in doing the fix they've gone back to that kind of a signal is interesting, because the federal government supported that fix based on that kind of a contention.

(1000)

**Mr. Toth:** — So that what you've said, Mr. Minister, confirms the fact that actually the '91 program did have some checks and balances to it. The fact that as a . . . the example I had a minute ago about 1,000 seeded acres, and your guarantee was only if your normal seeding pattern over the last number of years was an average of 500 acres; at 10 per cent more, the volume that GRIP would protect you for would be 550.

If you put 1,000 acres in, you could only carry GRIP on 550 acres. Also if you didn't seed lentils, you were limited to 20 per cent of the seeded acreage, if I understand. To me that's provided some checks and balances so that a person wouldn't just take their total farm and, because lentils was the crop that had the best guarantee, to turn around and all of a sudden seed 1,000 acres of lentils when maybe you hadn't seeded it before.

**Hon. Mr. Wiens:** — Yes, you very accurately describe last year's program, that in fact it did have checks and balances — the kind of checks and balances that farmers get absolutely distraught about because they don't like living in a world where they have to go read the rule book before they go see what they seed. They would like to figure out what they think the market's doing and recognize what their own practices are on their farm.

They know what grows well over on those hills or over on that flat piece of land or over in another corner of the farm. They know what they grew there last year. They know what makes sense. When they now have to start reading a rule book and saying, well now if I do X, then I can only do a little bit of it and if I do Y, I can only do that much, and to survive this year I'm going to have to do it this way, this is very, very frustrating for farmers. It's frustrating for them in those kinds of programs. It's frustrating for them in the NISA (net income stabilization account) program. As you know, the extension on NISA has been extended already twice this year and they're still only at 25 or 30 per cent sign-up.

Farmers would like to just get on with the business of farming and have a very simple program that they can function from so they can produce as they know best, into a market-place that they're happy to deal with along with those supports they have, like the Canadian Wheat Board, and farm and stop all this insane paperwork.

**Mr. Toth:** — Well I agree with you regarding the insane paperwork and yet your government is just creating more by bringing in purple gas and the applications for refunds on fuel. But let's . . . or purple diesel.

But getting back to the questions we have on the GRIP program and the fact that, as you indicated, well the checks and balances were there. What you've done this year is you've gone from 100 per cent average production down to 70 or 80 per cent, whatever the person would choose.

You'd say farmers will then make the decision based on the ability of their specific land they dwell on, to produce. And I want to indicate to you, as I indicated to the former minister, that if you take a look in the area I come from, there weren't any major shifts in seeding patterns because farmers looked, they looked at the program. Most of the farmers signed up for the program, if not all of the farmers in our area. They signed up for the program. But they didn't sign up on it because they were going to say: well boy, this program isn't all that bad; I'm going to put this crop in because this is the best area and I can reap a pretty good return on it.

They continue to farm their land based on their long-time farming practices. And if there were one or two or a few, and which I'm not aware of any and certainly in our area, the fact remained, Mr. Minister, that from what I observed and from what many people observed, and one of the concerns people have had over the past winter, is the fact that we continually throw out the idea of the poor farming practices of a number of individuals.

And I think the area . . . the concern raised out in the rural community is the fact that when we continue to throw these ideas or these suggestions out, is the urban centre just continues to look at the rural community as living off that urban base.

And I don't think that's fair, Mr. Minister, in light of the fact that farmers across this country . . . our average, I think it's less than 3 per cent of the total population of Canada — is in the agriculture production factor. We are producing five times as much product as we can consume in this country. And yes, farmers would like a fair price, but we're living in a market-place that we have very little control over.

And I think what the program '91 did and what you've done is you've taken . . . Farmers will like to know that when they sign a contract that the government or whoever they're signing the contract with is going to honour that contract, and also live by the rules of that contract. And that is the biggest question out there right now, is the fact that the government could make major changes rather than accepting the fact that all the discussion last spring said, you can expect some minor changes as we sit down and try and revamp or look at the program, refine the programs to make them more responsive to market needs, to working with farm groups and farm communities.

And it also . . . If I'm not mistaken, Mr. Minister, many of the farm groups or the groups that were involved and presented this last study that you're basing all your facts on — many of the groups in reviewing it — we haven't talked to any that agree that the type of changes that were made were the right ones at this time. And I think many would have suggested would have been more appropriate if they would have . . . if you would have made a few minor adjustments, and sit down with the federal government, and come up with the changes we know will be taking place for the 1993 crop year. So that the whole farm community and the business community would have had more than enough time to adjust to changes and offer suggestions.



The other idea you . . . and we continue to hear, and I certainly have coming across my office and desk too, is the fact of cost to production. Cost to production can vary from farm to farm. And I'm not sure how the department or how you as a minister are going to try and iron out what cost to production is; what the cost to production from my farm will be compared to my neighbour down the road, as different people have different farming practices; demand different types of inputs and expense factors, Mr. Minister.

So I would suggest that many farmers still are concerned out there as to what is taking place. And yes, no one wants to be dictated to by government. They want to have the ability to sit down, throw some ideas together . . . and at the end of the day we're not going to come up with the program. I don't care which government it is, I don't care how many farm groups you get together, you're still going to find that there'll be someone unhappy.

But I think what we need to do is look at designing a long-term program that farmers can sit down with, that even the small-business community will be happy to see. Because you've got your bulk dealers, you've got your fertilizer dealers, you've got your chemical dealers. All these businesses are relying on . . . relying . . . their stability. And the fact that they continue to exist depends on that individual farmer deriving enough from his inputs and from his farming practices and from his farm to pay the bills that he has incurred.

**Hon. Mr. Wiens:** — Mr. Chairman, we've covered a fair bit of space. I'll begin at the end to say that in fact the Act that we are now reviewing does provide for a committee to look at farm support programs. And that's exactly our intent, to look at the farm support programs in the absence of the constraints that the present federal-provincial agreement puts on the discussion.

The issue the member opposite raises with respect to cost to production; it was one of the issues raised by last year's committee that said they did not have time to address. It was an issue raised in the minority report. The issue of elevator delivery of the program, the issue of whether or not spot-loss hail could be reintroduced — those were all themes that were identified by the committee as something they could not address within the time frames that were available between when we took over in government and when the report had to be in, which was February 15. So they worked very hard and consulted broadly in the period of time that was available to them to bring forward this report.

And it's our intention now to set up a committee that is going to look very broadly. They will continue to look at the programs that are in place, but they will also look to alternatives to say: if we were designing our program, how would we run it? And I think they're clearly from the producer reactions . . . is significant feeling amongst farmers that GRIP '91 or GRIP '92 are based on some pretty flawed principles and need to be replaced by something more appropriate. And we will work with farmers to look at that.

One of the very serious design flaws in the program, as it

continues to be, is that the support level dwindles. This year the support level would have dwindled to \$3.86 on wheat had the provinces not come in and said, we want to support it. The federal government should in fact have provided that additional money, but the provinces came in and said: we will support this move to 4.07 because the federal government did not. So the 3.86 was where the price was going.

On a 15-year average, when you look at the prices declining, the support price for farmers continues to disappear while farmers' costs continue to rise on the long haul. And that's an absolutely fundamental design flaw.

The reality was that the federal government was supposed to put in third line of defence funding that would take that over. Well if the federal government will trigger that, then we make well that problem in the second-line funding. The federal governments said they would pay for . . . as this declining support level disables farmers, the federal government initially said that we will provide third line of defence which will make this whole. But the federal government has been using language recently that says they don't intend to do that.

Well we're going to keep pushing them to do it, because it was their commitment when Saskatchewan joined in this program; because without that this program absolutely guarantees disaster for Saskatchewan agriculture.

**Mr. Toth:** — Well, Mr. Minister, a couple of areas that you've covered in your response: first of all regarding the committee, and I raise this and I point this out right now. There are many farmers that I have talked to who feel that even with our government, when we asked a number of farm groups to appoint representatives to sit on the committee looking at farm income support programs, we found, what I found, Mr. Minister, is the fact that many farmers out there just feel that the individuals who ended up sitting on the committee making the recommendations were individuals who were more interested in supporting their organization and speaking on the basis of an organization versus the real impact of the farm and the farm that they represent.

And what I would suggest to the minister is that the minister and the department look very seriously at allowing some producer input on the committee from individuals whose total interest in any kind of mechanism or program is based on the fact that they're totally involved in their farming operation.

And it would appear to me that many farm groups and many farmers themselves just felt that the person at the bottom of the rung, the person actually out doing the farming, wasn't really making the decisions. It was based on, if you happen to be a member of the pulse growers, well then your interests were centred around what your organization was standing for. If you happen to be a member of the wheat growers, then it was the arguments that your representative would be making would be based on what the wheat growers were standing for.

So regarding a committee, I trust that when a committee is struck . . . and I'm not sure, if we're just going to start

striking a committee again. If I understand correctly, the federal government already had a team addressing or reassessing the support programs so that they could bring in recommendations this fall. And I think if we're just starting to put together a committee, I would like to know if indeed what consultations have taken place with the federal government regarding changes to the proposed program for the 1993 program.

A second thing, Mr. Minister, you continually go back to a third line of defence. And if there's one thing that many farmers do not like, and I think you raised it just a moment ago as well, is a third line of defence doesn't help in laying out a budget. You never know whether or not you're going to get a third line of defence. You never know what the amount will work out to, Mr. Minister. And in doing that, how do you budget for your farming operation? How do you plan for tomorrow?

As well, Mr. Minister, every time there's a government pay-out, then it sends, in my opinion, the wrong signals to the consumer out there. The consumer continually believes that the farmers can only exist as long as the government, through the consumers' tax dollar, is throwing money into the pot.

I would suggest to you the best thing for the farming industry is to design a program that farmers, if they choose, can carry; that will give them protection. It's an insurance program that they can carry and it's insurance that they're carrying on their farming operation. If they choose not to, they're working within whatever the market-place has to offer. And I'm not sure that the '92 program offers that, but certainly those are some things I think we need to take a serious look at as we look into the 1993 crop year. And I trust, Mr. Minister, that you will indeed when it comes to the committee, take a very broad look at trying to involve farmers from different areas of the province whose strict business is farming, not involved with many of the different groups around this province who then get involved in specific interests.

(1015)

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the opportunity to respond to these points. There are really two the member opposite raises. One has to do with the committee structure, and the other has to do with the nature of programming and farm support.

With respect to the committee's structure, I just want to lay out at the outset that the committee that was in place was appointed by the government of the members opposite in July of 1991.

In the time allowed for bringing forward a report, it would not have been possible to reconstruct that committee. Because if the members opposite have ever tried to construct a committee, they are aware that it takes several months to get agreement on structure and names and those kinds of things.

So what we did was contacted the organizations who had representation on the committee, and asked them to confirm or change their membership, because that was the committee that was in place. And that was then what

was done. It was the committee of the government opposite that was asked to continue with the examination of the program as provided for in the legislation passed by the members opposite.

What I did change on the committee was added the National Farmers' Union, who had been deliberately and methodically removed from every area of consultation by the members opposite in their term in office. And I added them back into the consultative process, and they've made a very positive contribution.

And in response to the comment of the member opposite with respect to having ordinary farmers on the committee who did not have an organizational attachment, I appointed two members at large to the committee who were ordinary farmers — Nettie Wiebe and Lloyd Johns.

So that in fact the organizational representatives were there and there were also farmers at large.

Now as often happens in the construction of committees, and obviously happened when the members opposite constructed theirs, that the result of that kind of committee construction does not guarantee regional balance in the committee construction. And that issue was raised, and I appreciate that. It's an issue that we need to address in the new committee, and we will.

But on another matter with respect to the members opposite, they have liked to take two kinds of shots at the committee. And I want to pay my respects to the committee. The committee went out and consulted broadly within the time frame they had; a time frame not set by them, a time frame not set by us.

They began to work after the election. They had until February 15, as designed in the legislation by the members opposite, to deliver their report. So in that time period they consulted broadly and they brought forward a report resulting from their consultations and from their deliberations.

But the members opposite continue to take two kinds of shots at the committee. One is that as an organization that they weren't individuals, that they weren't farmers.

Well the members opposite ought to know that the members on the committee are farmers. Barry Senft is a farmer, Brian Perkins is a farmer, Roy Piper is a farmer, Lloyd Johns is a farmer, Brett Meinert is a farmer, Gordon Cresswell is a farmer. I believe Hartley Furtan, while he's an economist, is also a farmer. I don't know if Keith Hayward is a farmer. But Leonard Kehrig is a farmer and Sinclair Harrison is a farmer.

These are farmers that cover the political spectrum, that are dedicated to the organizations they serve, but they are members of their organizations because they are farmers. That's what they do for a living. So they work through their organizations to bring forward thoughts.

On the other hand, the members opposite say, well these individuals are too interested in their organizations and not as individuals, that somehow they don't represent the opinion of their organizations.

Well, Mr. Chairman, do they represent the opinion of their organizations or don't they represent the opinions of the organizations? My reading is that they are people whose names are approved by their organizations and who in this kind of consultative process speak for their organizations. And it's my intention to continue to use broad-based groups where legitimate farmers who are interested in the future of Saskatchewan and good programming for Saskatchewan will consult with us and will direct government policy.

I have most recently announced that we will do that with respect to the red meat sector, something never done by the members opposite in terms of establishing a good, broad-based discussion with the industry. It's my belief that that's how good policy is developed.

We did it with respect to the farm debt crisis. We had a very broad-based group put together to look at that issue. That's how good farm policy is developed. Certainly as the member opposite says, there are sometimes disagreements. But they are disagreements that arise from the best possible consultation and that represent the industry as well as it can be represented. And then some people will disagree, and that's apparent.

Now with respect to the other issue, which is the whole issue that you raised with respect to third line of defence and saying that governments shouldn't be putting money into the hands of farmers, Mr. Chairman, there was a deal made between the federal government and the provinces that said this was the way farm support would be delivered. There was a deal.

Now it was a deal that put much more weight on farmers and the provinces than happens anywhere else. It was a deal that didn't recognize the fact that in the European Community and in the United States of America, their federal government provides their export subsidies and their program enhancements.

In Canada the provinces made a deal with the federal government. And I agree, it would be a lot simpler if the federal government would just do what our competitors do; in other words, provide the support to farmers that they require because of international trade problems. It is a national responsibility. The American government recognizes that, the European Community recognizes that, and I wish our Canadian government would recognize that. And I wish you would work to encourage your brothers in Ottawa to recognize that.

But the deal was struck to say no, in Canada 60 per cent of the bill for the international trade dilemma, based on pricing, would be borne by farmers in the province. So we signed a deal. Bad as it was, the members opposite signed this deal with Ottawa, ignoring the fact that that 100 per cent paid by the federal governments in our major competitors and those who disable us through their trade strategies . . . And the members opposite then need to recognize that their government signed this kind of a bad deal that puts 60 per cent of the bill for this on the provinces and the farmers.

Now the members opposite are suggesting that not only

should that 60 per cent be paid, but we should pay even more. We should pay the federal commitment yet. Well that's not good enough, I'm sorry. Saskatchewan farmers have paid as much as they can pay. The Saskatchewan economy is based in the farmers and the businesses based on farming in the province. And you can't expect somebody who's bleeding to death to give themselves a blood transfusion. It's just very, very difficult and impossible.

So the fact is that we've got a deal. I appreciate what the member opposite is saying. It would make much more sense if the federal government would cut the paperwork and provide the support the way the European Community does and the way the United States of America does. But that's not the case. So in the mean time, let's at least demand that the federal government pay the share of the bill that they agreed to pay when you guys signed this very bad agreement with the feds.

**Mr. Toth:** — Well, Mr. Minister, a couple of comments, and I think the comments we've been trying to bring out all along. First, number one, Mr. Minister, you said that there was such a short time frame for this committee to operate in. And no one will disagree with that. That's one of the arguments we've been presenting from day one, is the fact that you made substantial changes to a program when even committee members realized they didn't have, wouldn't have, the proper time to be able to review and reassess the program. And even on the basis of the contract and the commitment made by the participants last year, Mr. Minister, the commitment was made to continue to review the program and, over a period of time, redesign it to work out the flaws in the program.

But what you have done is you've changed the program substantially when you knew in fact, even committee members acknowledged, that they wouldn't have the proper and adequate time to address the problems within the program.

Mr. Minister, you also talked of a number of groups submitting recommendations. And I'm not sure whether they submitted them verbally, whether they submitted them through letter. I'd like to have a list of all the organizations, groups, or individuals who submitted proposals to the committee or the recommendations that they were making to the committee regarding changes they saw or thought would be adequate to address the needs of this program.

**Hon. Mr. Wiens:** — Mr. Chairman, the department could compile that list. It's not compiled in list form. If the members opposite would wish it, I would ask them to do that, of people who contributed their point of view to the committee, both through hearings and through letters to the committee or to the ministers of the government.

I just want to comment though on the question of time and the timeliness for change. Until the day we changed the program I was getting letters that said, the biggest mistake I ever made was joining GRIP. Those letters began when I became the minister and they never ceased until the day we changed the program. There were clear indications from the farmers of Saskatchewan that GRIP '91 did not meet their needs.

Now I want to say with respect to the committee: the committee met, the committee respected the concerns that the member opposite talks about with respect to time, but then made these recommendations. And I need to make it very clear that the advisory committee, based on those organizations which broadly represent farmers across the province — and appreciate the shortcomings in the structure, and those will be addressed for future review. They're shortcomings that were a result of the design of the structure by the members opposite when they created the legislation and the first committee, one that we carried forward . . . and those will be addressed in the future review.

But the committee made these recommendations. GRIP should be provided a separate crop insurance and revenue insurance programs. They didn't say, we don't have time to tell you that. They said, GRIP should be provided a separate crop insurance and revenue insurance programs. That's the majority report. If you read the minority report they say the same thing. GRIP should be provided as two separate programs.

There was disagreement about the model for the delivery of the revenue insurance, but the principle that they should be provided as separate programs was consistent between the minority and the majority report.

The crop insurance program should operate as it was prior to 1991, and that the crop insurance price be set at the same level as the market price used in the revenue insurance program. They didn't say, we don't have time to make this decision. They said, we recommend that the crop insurance program should operate as it was prior to 1991.

They said, the revenue insurance program should operate more as a deficiency-payment type program. They didn't say, we don't have time to think about this. They said, after what we have heard, we think and we recommend that the revenue insurance program should operate more as a deficiency-payment type program. They said that no offsets between price and yield should be included in the revenue insurance program. They did not say, we don't have time to think about this. They said, having heard the evidence for the time that we very intensely worked on this from the people who've spoken to us and from our consultation with those who came together with us in discussion and from our collective observations of those presentations to us, they said, no offsets between price and yield should be included in the revenue insurance program.

They said that both crop insurance and revenue insurance should reflect the management ability of individual farmers in determining coverage and payments. They didn't say, we don't have time to think about this. They said, having thought about it, this is our recommendation.

They said that only the revised program be offered to farmers in 1992. The members opposite have repeatedly talked about offering another option. The option of '91 and '92 being offered concurrently was examined by the committee and rejected by the committee as an impractical impossibility. They said that before they

delivered the report.

The members opposite have contended through May and June and July and August that we should offer programs side by side. Well, members opposite, the committee considered that possibility prior to March 15 and said, no, it should not be.

You must remember also that that happened after some associations sat down with us and said, we've got concerns. But they said, in spite of that . . . They didn't say, go back to 1991, or we don't have time to think about this. They said, having considered the evidence, we say that only the revised program be offered to farmers in 1992, i.e., current GRIP should not be continued as an option for farmers. That is the direct language of the report.

Now I don't know how we can say that the committee didn't make those recommendations. They considered the input they had, they knew the time frames they were working in, and they said . . . They didn't say, no, we haven't had time to consider this; we think we should continue for another year and review it next year. They said, we should not continue to offer 1991 GRIP.

With respect to the legislation of the federal-provincial agreement, the intent by the federal government when the program was begun was that after the first year of operation the program should be reviewed, which is why the members opposite very appropriately put into their legislation a review process. Because it was the intent of the federal-provincial agreement that there should be a review after one year.

(1030)

Well Saskatchewan engaged in its review. It was begun by you and it was continued by us. And this was the result of the review. The fact that the federal government did not carry forward with its broad review was not our breaking of the agreement; it was their breaking of the intent of the agreement.

So now we are going to continue to review it again and we will continue to review it again. It is obvious that a program that begins with as many flaws as this one began with, that it will be a long time before it meets the needs of farmers. We'll continue to work with farmers. We want to be advised by them. And we will set up processes that are as broad and consultative as time and circumstances allows, and we will have the opinions of farmers for every future change. Thank you very much.

**Mr. Toth:** — Well, Mr. Minister, it would appear to me that you can take one point out of the committee report — and I think there were a number of . . . I think if we took the time to speak to the organizations that were involved, we may find, as we find with the SARM (Saskatchewan Association of Rural Municipalities) . . . representative from SARM and SARM itself, one of the major organizations in this province, the fact that on April 27 that a letter went out because of the confusion regarding the '91-92 GRIP program; and because of the fact that SARM had a number of concerns, five in particular, regarding the program and changes.

These concerns were: time limitations, trying to get the information out adequately to farmers; the bankability of the program, which people are running into; the federal-provincial agreement; lack of broad-based producer input; and significant change violating contract. The report was then signed by SARM as a participant and submitted to the minister.

But the SARM representative also indicated that due to a number of these factors, he didn't feel — and that was Mr. Harrison — didn't feel that there was the appropriate time necessary to go out and explain the program and give producers the time that was needed to sit down and make a sound business decision.

And therefore SARM recommended that the review committee put over and not bring in the total changes for the 1992 program. They suggested that you wait a year and work together with the federal government as well, and work together as an organization, Mr. Minister.

And what you've just given us, the diatribe you've just gone through, it looks to me, it would appear to me, Mr. Minister, that all you've done is succumbed to the Minister of Finance and to your colleagues on the front benches; and that you're going to continually put the blame at the feet of somebody else rather than accepting the fact that if you would have made a few minor changes as were indicated last year, and allow the process to develop, we wouldn't be in the pickle we are in today.

And I again would like to quote a final paragraph from a letter addressed by the executive director of SARM which says:

The SARM hopes that the short summary points out very clearly what the SARM position was and still remains. To conclude we will quote a paragraph that was a concluding paragraph in a letter to the minister on February 10th, "With the aforementioned points in mind (the five concerns I've just mentioned) we feel that it is imperative that the proposed changes be deferred a year until the committee and producers have had the chance to study them more carefully. To significantly change the GRIP program at this point would only be the source of additional confusion and stress for producers."

And there's no doubt about the fact that making those type of changes at the time when you did, Mr. Minister, and continually falling upon the . . . making the argument that this province was in debt when in fact your Finance minister went and added to last year's debt by just taking a lot of money out of Crown corporations and writing off debt, as the Provincial Auditor has already indicated he has difficulty with; and you have used that platform to revisit and just totally destroy a program simply because the former Conservative government went and talked to the federal government and tried to devise an insurance program that would give farmers a better ability of understanding where they stood and how they could make a qualified business decision regarding the operation of their farm.

So what you're saying today, you're saying that you've

consulted. At the same time, Mr. Minister, what we're saying is you didn't heed the advice of many of the members on that committee.

**Hon. Mr. Wiens:** — Well, Mr. Chairman, I think the members opposite ought to pay more attention to the facts in this regard. I had to sit and tie myself into my seat as members opposite made speeches over the last couple of weeks and over the last couple of months, paying absolutely zero respect to the facts.

The contention that this committee was given any direction with respect to program design from Finance is an absolute disrespect to the truth, however strongly that can be stated without being booted out of this Legislative Assembly.

I have heard your leader, I have heard other members of your delegation, repeatedly say that the committee was directed. If you can find one shred of evidence that the committee was directed with respect to finances in that regard, I would like to see it because it did not come from me.

The fact was the committee brought forward their recommendations. The committee brought forward their recommendations. If the committee ever had any frustrations, it is that I did not dictate to them what the result of the program should be. It was they who brought the recommendations to me, as I believe it should be.

They are the ones that represent the organizations and the farmers of the province. They are the ones that live out on their farms and in their communities. It's they who know that. So any contention that there was direction given in that regard is an absolute disrespect of the truth.

I will talk later about adjustments that were made by us to other programs when we had this program as recommended to us as an alternative. But that was our decision at a point after the program was designed and offered to us. There was never direction given to the committee, never direction given to the committee around the kind of program they should bring forward. There was never direction in that regard.

Now with respect to the consultation process, it's my belief, and I hope it's the belief of others who work in bodies that have integrity, that when you commit yourself to a discussion, you commit yourself to the results of that discussion. I can see if somebody's left out of a discussion, I can see them saying, look I didn't have my say; I disagree.

The members that sat on this committee independently consulted with the public, independently considered what they heard, and independently brought recommendations forward to me on February 11 with their signatures, including the signature of their representative of SARM, to do the things I just read into the record several minutes ago.

The point the members opposite have repeatedly made is that we should always make changes by March 15. Well, members opposite, we did make changes by March 15. And we announced them on March 13.

But now the members opposite are suggesting, having made those changes by March 15, we should then make some other changes on April 27. Well which way do you want it? Do you want to make changes in April and May and June and July and August or do you want to make changes before March 15? Well we made changes before March 15. So please be consistent in your expectations.

**Mr. Toth:** — Well, Mr. Minister, you talk about integrity. You talk about presenting the facts. I didn't accuse the committee of having accepted the recommendations of Finance. I suggested, Mr. Minister, that what you have done is listened to the Minister of Finance rather than to . . . You've looked at a number of the recommendations of the committee. But one of the strong suggestions that even, as I indicated, SARM had indicated, postpone major changes to the program because of the confusion it's going to create.

I didn't suggest that the committee were dictated to by your office. And I don't think that was fair, Mr. Minister. What I suggested, Mr. Minister, was that in fact out of your office and as minister that you were indeed listening closer to the Minister of Finance than you were listening to the committee, the all-producer committee that you had out there, and accepting the fact that the tight guidelines that they were working under didn't give them the ability to . . . They could make some sound decisions. But as SARM indicated, the process . . . there wasn't enough time to make the major changes, and therefore, Mr. Minister, the confusion that we face today.

And I think the confusion could have been all alleviated by leaving the '91 program in place, with some minor changes, and indeed, as we've indicated, taking the time to talk to producers. And I don't think . . . we talked about the fact that there wasn't enough time to really get out there.

We asked . . . I asked a minute ago, Mr. Minister, for you to submit the names and the organizations. And we'd also like to see the written submissions or the submissions that came in. And would the minister also take the time to forward the letters that came to his office indicating that changes must be made to the program, that people were not happy with the '91 program? Would the minister commit to present . . . list those names, the submissions, and the list of the letters that came from individual producers to your office?

**Hon. Mr. Wiens:** — Mr. Chairman, a couple of comments. First of all, just to clarify that with respect to the member opposite's response to my last response on the recommendation of the committee, I want to reiterate that the committee signed the report understanding the time frames that were in place, believing that we had time after February 15 to implement the report.

Now they, I suspect, were not contemplating the kind of interference from the federal government because they had been in contact. Four of these members of this committee were on the National GRIP Committee, had been on the National GRIP Committee. They understood the context of the federal-provincial agreement. They brought their recommendations forward in the belief that

this would flow relatively freely. They were not of the belief that the federal government would spend a month blockading the exercise.

So if there was any concern about time, it may have grown over time, as the federal government began to play its game with their parallel members here in the province.

But the fact is that the committee brought forward and we announced the program on March 13, with respect to timing. Farmers had up until, originally, April 30, then May 15 — which is more time than they had last year — to consider their discussions, to consider the program. They in the end had choices extended by circumstance to July 20.

But they had adequate time to understand the program and I want to give credit to the crop insurance system that went out and delivered information and gave farmers access to information.

And I want to give credit to the agrologists that worked for Rural Development who went out and had public meetings — not public political meetings like the members opposite scheduled last year where they had these great things. We sent the professionals. After the program was designed by public consultation, we sent the professional, the agrology professionals out into the field to discuss with farmers the program.

We didn't have a parade of politicians running around trying to do that job; that's not their job. Our job is to hear, and the system's job is to deliver. And at the time when the program was delivered, after having heard, we sent the agrologists out into the field and the crop insurance agents out into the field, and I want to give them credit for the way in which they delivered the information to the farmers of this province.

Now with respect to . . . Now was there another point that you had wanted us to address?

**Mr. Toth:** — I've asked — and it's the second time — asked for a list of all the people who made submissions and the submissions that were presented, as well as a copy of the letters that came to your office demanding changes to the program.

(1045)

**Hon. Mr. Wiens:** — Yes, appreciate that. This discussion has been held between Justice and Agriculture relative to what's appropriate to release with respect to the confidentiality of letters to the minister, and because some of those were letters to the minister where people expect them to be letters to the minister and not necessarily made public.

The understanding we have is that we can provide a list of those who submitted their opinions to the minister and to others, and that we can provide the documentation of what they said with the identification removed of who it was that said it. But we will take that matter up with Justice with respect to what's appropriate in that regard, and we will provide it in the form that's acceptable legally, respecting the rights of those who expressed their

opinions to the minister.

**Mr. Martens:** — Mr. Minister, I want to go back to this encouraging good farming practices. This spring when we were making the decision on what to seed, we visited with our neighbour who does the seeding for us and his observation was this. Based on the program and understanding the program, it would be best for individuals, because of the least amount of influence in the area coverage, that you should seed feed grains and particularly oats.

We asked him why. And he said, because you're not going to influence the overall production in wheat which is going to carry you in your revenue insurance and your volume in the revenue insurance. You will be able to transfer that into your coverage on your revenue side on your wheat . . . on your feed grains. And therefore, Mr. Minister, I am suggesting to you that on the basis of information that I have received right here, that oats went up from 550,000 acres to 1.1 million acres.

Now you're saying that the program in 1991 was flawed. And I agree there were flaws in it, but not to the extent that you're talking about. You said there were good farming practices in 1992 and no good farming practices in 1991. Production is up last year over this year. In fact production in 1991 is up in every area on a per-acre basis in every crop seeded in the last 10 years. There isn't one crop on this paper that is less than the average in 1991.

And the point I want to make is what the farmers in Melfort are going to tell you on Monday and what Harley Furtan told us as a caucus: you have to have something in there to measure the impact of drought in relation to the program. And what you have done, sir, is taken that out of there. Because now you don't get covered for 100 per cent, you get covered for 80 per cent. That, Mr. Minister, is what we're talking about.

And I would suggest to you there's just as much moral hazard in what you're doing here in allowing everyone to get a benefit. Even though they get 100 per cent of production, they will get an additional benefit in their revenue insurance over what they normally would get. And the drought guys in Melfort, Tisdale, St. Walburg, and west of North Battleford, what are they going to get? They're going to get a kick, Mr. Minister, because they don't get the difference of 80 to 100 per cent on the volume. They don't get that. They won't get it in those places.

And so you want to talk about a moral hazard, you talk about that for a while. And then say to me, oh we got to make all of these big changes because we had so much moral hazard in 1991. The program was not negatively impacted in any single crop in 1991 that it would not have been normally. In fact, Mr. Minister, the production in every one of those crops is higher in 1991 than it was in 1990 — the volume of production. And that, Mr. Minister, is a fact.

And so what you're telling the world is that moral hazard drove the cost of the program up last year. It didn't, sir. In fact the volume of production reduced the liability of the Government of Saskatchewan by a considerable amount

and by Crop Insurance. And that, sir, is a fact.

I'll tell you why you got a problem with this. If you go back to the very centre of this book that Agriculture Saskatchewan put out last year, you will find why your Finance department is so scared of this. You'll find it. Because farmers after 1977 and 1992 — the 15-year coverage — in 1977 it's going to start going up in price. And that is the reason why that Minister of Finance wouldn't be able to stomach it. And you, sir, knuckled under to that. That's the whole essence of this discussion.

You said, we will abide by reducing the volume of payment to farmers when they are in the position to receive the highest benefit from the program. And you, sir, wanted to have cost of production on top of that. Cost of production, Mr. Minister, you would've bankrupted this whole province in one year on that basis.

And that, Mr. Minister, is why this "whereas" should be struck. Because you, sir, don't have the facts, hard-core statistical facts to prove that you are saying that last year there was a moral hazard in the farming practices that were followed. You don't have the statistical proof. I've asked you three or four times, and all I get is 300 letters and submissions.

That's not hard facts, Mr. Minister. This is a political statement. It's a political statement and it's not based on fact. And you tell me . . . I am willing to sit here and listen until you tell me that you have proof that in 1991 farmers farmed terribly. And you only have one single item that you identify, and that's fertilizer. Fertilizer sales were down in '90-91, but we had a higher crop production. Tell me why.

It's a political statement. It isn't a statement of fact. It's a political statement that you're making there.

**Hon. Mr. Wiens:** — Mr. Chairman, the member opposite makes broad-ranging comments. It may take me a minute to respond to them.

The idea of statistical proof, of great treatises on analysis that the member opposite knows have difficulty being collected to the degree that they have, it takes economics' departments some time to accumulate those kinds of things in a wide variety of areas. They clearly have the analysis with much more integrity than the members opposite ever engaged in.

To think of all of a sudden the members opposite having gained respect for statistical analysis when they systematically bankrupted the province for 10 years is absolutely curious.

The misinterpretation of comment is also not only curious but infuriating. I have never said, and the member opposite is aware that I have never said, that Saskatchewan farmers are bad farmers. I have never said that there is only one measure of the quality of farming. I have said exactly the opposite — that farmers make their judgements on their farming practices based on their belief system. And some farmers believe they should not use artificial crop inputs at all — no chemicals, no fertilizers.

That doesn't mean they don't have input costs into farming. It doesn't mean they don't control their weeds in their own way, and their pests in their own way, and that they don't look after their land in their own way. They do.

The contention that has been made by the committee and brought forward to you and that you wish to struggle with, is that the program dictated what farmers' practices should be. That's what the committee said. And they said, that's a moral hazard. Farmers are not a moral hazard. Farmers are the finest people in Saskatchewan. They are hard-working, adaptive people who struggle with reality, who respond to it, who wish the best for their families and their communities, who wish the best for agriculture, and do an excellent job of what they do.

The members opposite continue to want to degrade that impression by pretending that somebody has said something different. Well they have not. The fact is that farmers are good farmers, and farmers in Saskatchewan will continue to be good farmers. But when a program begins to cause farmers to do things that they would not do in the absence of the program, then the program has a problem.

The member opposite talked briefly about income shortfall . . . or about the program with respect to drought. The problem for farmers, as the member opposite well knows, is income shortfall. And the members opposite seem to be on this track. And as the member previously asking questions suggested, the federal government shouldn't be giving us . . . shouldn't be providing money to support farmers.

Well that's saying that the Saskatchewan farmer should fight independently the trade battles with the European Community and the United States, or it is alternatively saying that they should give up. Because farmers without help cannot fight the treasuries of the United States of America, and they cannot fight the treasury of the European Community. So I don't know what it is that the members are saying in that regard when they say the federal government should not meet their commitment.

The fact is that farmers are experiencing an income shortfall, an income shortfall that the federal government agreed to cover when the provinces agreed to picking up 60 per cent of the cost of farm programming to cover these very dire circumstances in agriculture. And that money ought to be delivered. That's the fact.

Now the member opposite made comments about the program. The program as recommended by the committee, including Mr. Furtan and including others that the member opposite has quoted, said only 1992 GRIP should be offered in 1992. That doesn't mean farmers won't have income problems. Because the GRIP program as designed originally, is designed to leave farmers with income problems.

But they said in the context that farmers are farming and in the financial context that's there, the 1992 program better used the available resources than the 1991 program did. They didn't say that would relieve financial stress for

farmers. They said that's the best way of designing the program.

So we've called on the federal government to meet their commitment of third line of defence. And we've called on the federal government to implement the disaster-relief program that's appropriate, and we will continue to do that. And we will continue to try to improve the program to the extent that we can within the context of the federal-provincial agreement. But we will alternatively ask our committee to ask farmers what kind of a program they would really like, because it isn't GRIP.

**Mr. Martens:** — Well, Mr. Minister, farmers have told us over and over again, and we have reiterated over and over again, when they saw what '92 was about, they don't want '92; they want to go back.

So what did they use as a bench-mark? They didn't have anything as a bench-mark in '90-91 except the program as it was outlined.

Now you put in a 1992 GRIP and they say, oh my goodness sakes, I don't want to have any part of that. And you now . . . you're going to provide a list of all these people who have said, '92 is what I want to have.

Now you tell me how many letters and phone calls you have had in your office telling you that I don't want '92, I want '91 GRIP. You give me a list of the numbers of phone calls to your office that have been made saying, I want '91 GRIP back.

**Hon. Mr. Wiens:** — I will tell you the number of concerns we have expressed is far fewer than the 7,000 to 10,000 people that gathered last fall to say that they found the existing level of support and the existing program inadequate. The farmers have said that the GRIP program designed by you is woefully inadequate.

I don't know if the member opposite is challenging the wisdom of the people he appointed to the review committee. I don't know if the member opposite is doing that. It seems like he is.

He seems on one day to want to challenge them and say that they made a foolish recommendation. It seems on the other he wants to say, no, that they didn't make a foolish recommendation. Well the member opposite better decide whether he believes that the review committee that he originally struck was well struck and that these are people with integrity who brought forward the recommendations and that their recommendations result from their integrity or whether they don't.

(1100)

**Mr. Martens:** — Mr. Minister, the point is that SARM told you, SARM told you they didn't like it. SARM told you over and over again. Now they're non-political. They told you over and over and over again.

They told you at the meeting at the Agridome. They told you in a letter. And they signed the item, the paper as a participant, not as a supporter. They said, there's five items that we have a problem with. They wrote you a



letter about them. On February 13 they wrote you a letter — we don't want that. Give us a year to really have some input and then we'll tell you what we want.

And we have asked you over and over again to do exactly that, but you have not responded. You're just hard bent, like a train going down the track without a driver. It says here, the report was then signed by the SARM as a participant and submitted to the minister. They didn't tell you they supported it. They were involved in the discussions and if they would have said, we're not prepared to deal with it in any way except '91 or except '92 or except '93, they would have been excluded from the discussion. And what would that have done? They wanted to be a participant. And they wanted to tell you. That's why they were appointed.

And now, as you go around . . . I would hazard a guess, that you go around now and ask those same people what their position is on this. And they would have probably wished that they had discussed this on the basis of a participant and not a supporter. You go ask them now. And I'm going to, sir, I'm going to ask them. And when we hear the final word from the canola growers, from other members of the committee, we're going to find out that they've signed it probably more on the view of a participant with the restriction from the Department of Finance.

And I believe that that is the overpowering, underlying strategy of yourself and the committee, to say that Finance was the reason that drove them to make those decisions. Because I know that next year in wheat alone, the payments made to the producers in the province of Saskatchewan would have been significantly higher because of the way the impact of the IMAP (indexed moving average price) price on the program . . . and because the highest costing years are coming into play.

That's why the Department of Finance didn't want to become involved. Because they knew for the first time the farmers were going to get the benefit. And the farmers understand that too, sir. They understand it just as well as you do.

There were five things that SARM didn't want about this thing, didn't like about it — five things. They wrote you this letter. Why aren't you standing here and tell them: yes, we should maybe make changes, postpone it for a year, make the decision on the basis of what farmers want to have.

They said, the concerns were time limitations. Fine. Your review committee now is going to have some serious time limitations on it too in order to be involved with the '93 discussions that the federal government want to have.

Bankability of the program — there's no bankability in this thing, none at all. Crop insurance . . . Well I should say, not none at all. But crop insurance traditionally was the bankable part. That's all they got in this one. That's all they got in this one. Because you, sir, don't know what to tell them prior to them seeding.

As a matter of fact, when the native community came in to see me a few weeks ago, they said, this isn't bankable.

The bank laughed at them. When the native farmers went to them and told them, I want to have some operating capital on this basis, the native community couldn't get it. Why? Because they can't use their land as security; they can't at all. And that, Mr. Speaker, and Mr. Chairman, is the reason — bankability is gone.

There were concerns on the federal-provincial agreement they were concerned about. They were concerned about the lack of broad-based producer input.

Now you're talking about 300 people or organizations. Well it might have been a political meeting that your staff were at last year when they went through the program. But I would say to you, sir, that wasn't political. In fact I had compliments on how the meetings were run by the fact that it didn't become political. And that, Mr. Minister, is a fact.

I want to point out the other thing that SARM told you. It violates the contract. They told you that. And, Mr. Minister, those are the points we want to make to you. This isn't a matter of a policy change to make the program better. It's a policy change made to make the Finance department pay less. And the producers get less, and producers get significantly less. And that's the reason why . . . your motivation for doing all this.

And I say it flies in the face of all that you said when you were campaigning. Give me the cost of production, give me the cost of production, give me the cost of production. That's what you said. And that, Mr. Minister, is what causes us a great deal of concern on this side of the House.

**The Chair:** — Why is the member for Prince Albert Carlton on his feet?

**Mr. Kowalsky:** — Could I have leave to introduce guests, Mr. Speaker?

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Kowalsky:** — Mr. Chairman, in your gallery we have a guest who is well-known to many citizens in Saskatchewan — former Senator Davey Steuart of Prince Albert, and now better known as one of the old-timers on the CBC (Canadian Broadcasting Corporation) morning show. I would ask all members, give Dave a good, hearty welcome back to this Assembly.

**Hon. Members:** Hear, hear!

**Mr. Martens:** — I to, Mr. Speaker, would join with my colleague from P.A. (Prince Albert) Carlton in welcoming Senator Steuart to the Assembly today. It's significant, Mr. Senator, that today I have the opportunity to represent the same constituency that the premier of the province of Saskatchewan had in the Liberal times. And I want to just say that I've treated that with a certain degree of awe and respect over the years. And I just want to acknowledge his presence here today and thank him for coming.

**Hon. Mr. Wiens:** — Mr. Chairman, as I begin my

response to the previous question I would also express my welcome to the Senator and look forward to any debating advice he may wish to give me as an old pro himself.

## SPECIAL ORDER

### COMMITTEE OF THE WHOLE

#### Bill No. 87 (continued)

##### Clause 1 (continued)

**Hon. Mr. Wiens:** — I have some difficulty standing here and listening to the member opposite — who I believe has integrity — disrespect facts to a phenomenal degree. I just do not know what the purpose is in the member opposite now contending something that one of his other members a few minutes ago, when I challenged him on it, said: no, no, I didn't mean to do that — that somehow this exercise was driven by Finance.

The member opposite appointed this committee. We adjusted it mildly when we came in, considering the time frames. And the committee brought forward their report. And if the member opposite, as I said earlier, can find someone who would say that this committee was directed to bring forward a report within some kind of governmental direction on finance, I don't know who it's going to be because it wasn't said. And any contention by the member opposite that that is so, is absolutely wrong. That's the fact. And I wish the member opposite would begin to respect his own integrity in responding to this issue in that regard.

The fact remains, with respect to how consultation is done . . . And it's in my view, it's in my view that when participants participate in a process, they commit themselves to the process. Some mealy-mouthed attempt by you to distinguish between someone who sits on a committee as a participant or as something else . . . I don't know what you are when you're on a committee that's been set to give recommendations, other than a participant. And in my view, when you sit at a table, you buy into the group. And I want to say that SARM did that.

I want you to understand, I want the members opposite to understand, that SARM signed the report, expressed the concerns as the member opposite said, met with us, and still signed the report after their concerns were noted in the report.

And for the member opposite or anyone else to contend that this document is not signed and that these recommendations are somehow inconsistent with the representative of the . . . with the participation of the representative of SARM, is not true because that discussion that you describe was held and then they continued to sign the report. And in this report it says all of the things that are the base points for the program as designed. And I want to give credit to those organizations for doing that and for standing behind their recommendations when members opposite have been trying to mislead farmers with respect to what the report and what the program really does.

The fact is that the member opposite continues to say that

farmers have a 20 per cent less return from this program. Well that's not true. There is a very narrow, almost infinitesimally probable situation where that could be true. If the prices of all commodities rise exactly to the IMAP and if you have a full crop failure, then that could be true. You could have that kind of an income shortfall.

But it couldn't be true, it couldn't be true relative to the old program. Because already, as a result of the greater efficiency of this program, Saskatchewan increased their contribution to the IMAP to raising crop prices for wheat from 3.86 to 4.07. The 1991 program that the member opposite crows so much about, had wheat priced at \$3.86. We raised that from 3.86 to 4.07. It would not have been 4.07 if we had not had the new program.

And the fact is that farmers, if they have a drought, yes, they can experience lower incomes. Nobody's denying that under this program. But the fact is that the committee recognized that you could not run a program where you've got the same return for a 5-bushel crop as you do for a 40-bushel crop. The members opposite know that. The members opposite know that Alberta and Manitoba knew it. Alberta and Manitoba made adjustments to their programs so that fact could not continue. The members opposite did not have the wisdom to make that change.

And when the committee they appointed and that we put back into place re-examined the program, they said, we're not going to use the Manitoba or the Alberta solution to recommend to the minister. We're going to recommend this solution. And signing on to this solution, after all of those consultations, are nine other board members plus Sinclair Harrison from the SARM. Those are the simple facts of consultation and advice. And that's the way I believe it should be.

When we structure bodies, we want to advise government, that's how I want them to be. I want them to tell me what they think, and I expect to listen to them. If I took the advice of the member opposite, I suppose your advice would be, when somebody tells you something, you ignore it. Well it's not the way I intend to be. I intend to run in my ministry a sound consultation process and respect the results of the consultation. And if the member opposite would like to do it differently, that's his prerogative. But it's not the way I would.

**Mr. Boyd:** — Thank you, Mr. Chairman. Mr. Minister, we've sat here this morning and listened to you time after time after time, talk about the integrity of other folks and how no one has integrity but yourself. And you stand up and your button's popping off of your jacket, suggesting that you are just brimming with integrity about how you implemented this program.

And yet, Mr. Minister, you brought the program in incorrectly. And I don't think anyone disputes that fact. You brought it in March 13 and yet the contract clearly shows, the contract clearly shows that the people are supposed to have notice given to them in written form in the mail by March 15. And you had all of the resources of government at your disposal to do that — all of the resources at your disposal to do that — and yet you wouldn't take that upon yourself to do it.

You only had to live up to two parts of the thing — give notice and provide a letter to the farmers. That's all you had to do and the entire argument, entire legal argument would have been erased. And yet you wouldn't do it. You said to the committee you'd get around it somehow. They pointed out to you time and time again and yet you said, we'll get around it somehow.

Well we're into that getting around it stage now, Mr. Minister. And when you didn't have the ability, I guess, or integrity if you want to call it that, to do the notice of changes properly, now we come forward with a Bill that is oh so thorough, isn't it, Mr. Minister? Completely thorough. You made a wonderful job of this and the people advising you made a wonderful job of this, Mr. Minister, right from start to finish.

It takes away the rights of anyone to challenge you in court in the future or ongoing cases. You made sure of that. You knew very well there was an ongoing case. But you made absolutely clear . . . You took care of that little possibility. You made absolutely sure the farmers couldn't deal with you in court.

But you forgot one little thing, Mr. Minister. You forgot one little thing. You don't have the highest authority in this country. And that, Mr. Minister, is where I suggest the final battle will be fought on this GRIP legislation.

You've taken away the rights to opposition. We'll only be able to speak on this for another day or so.

(1115)

**An Hon. Member:** — Marvellous.

**Mr. Boyd:** — And the minister says, marvellous. I know, it's absolutely marvellous in a democracy that the Minister of Agriculture should be able to shut up any opposition that is out there. He doesn't want the farmers of Saskatchewan or anyone else to suggest that this program of his has some flaws and was done illegally. He doesn't want anyone to suggest that.

But, Mr. Minister, the farmers believe that you did it incorrectly, and that's why they're in court. Why didn't you give them the opportunity to continue with their court case? The reason I think you didn't want them to continue with their court case is you'd have been found to be wrong, sir, and you know it. And then you talk about the level of integrity of other people.

Well, Mr. Minister, you also made broad, sweeping comments here a few moments ago about there being small, little infinitesimal differences between '91 and '92 GRIP. Well, Mr. Minister, once again you're wrong.

Once again, Mr. Minister, your small, little, infinitesimal changes that you talk about, or infinitesimal differences between the '91 and '92 program with respect to income shortfall, let's just go through some examples of those small, little, infinitesimal differences.

To begin with, the courts have suggested that the difference is \$27.20 an acre in Melville — the judge suggested that — 31 million acres, just short of \$900

million. Just short of \$900 million. And I want to bring it down though, I want to bring it down to an individual farm circumstance. And we'll examine those small, little, infinitesimal differences, Mr. Minister.

Let's review the situation with respect to the '91 versus '92 GRIP with a durum crop. Now I have the computer print-outs of a farm for '91, and I have the computer print-outs for a farm for '92 in this province.

Now I'd like to . . . if we could spend a little time and go through that with you, Mr. Minister, to find out the differences. And these are your own . . . the crop insurance information, and I have them right here with me.

We'll deal with commercial durum. And this producer's customer average yield is 35.5 bushels to the acre in 1991. That was what the crop insurance official suggested his individual yield was — 35.5. Now the program in '91 called for, on durum, commercial durum, the price would be \$4.52 a bushel, for a total revenue program insurance, GRIP program insurance of \$160.52 an acre — \$160.52 an acre.

Now we deduct from that, obviously the premiums associated with it. The revenue side premium here is \$16.75 — takes it down to 143.77. Crop insurance, the premium on that is \$3.51 — for a net return to the producer, of \$140.26 after all premiums have been deducted for the '91 program.

Now the '92 program, let's examine the statistics on that. Same yield — 35.5 bushels per acre. And the crop insurance component of that, because it's reduced to 80 per cent, and the individual coverage then would be 28 bushels to the acre — 35.5 times 80 per cent; 28 bushels to the acre brings this person's coverage to \$73.56.

Now, Mr. Minister, of course there's the revenue side component to it. And I have the form that you provided farmers with in the spring to make their calculations. And the crop insurance agent made those calculations on behalf of the corporation.

So in this case, the durum on C land would be . . . Because his production is higher than the individual, or the area average, he would times it by 1.258 to come up — and the area average indemnity is 33.29 — to come with a figure of \$41.88 for that producer. That was what his revenue payment would be, assuming that everything works out the way that you've told the farmers that it's going to.

So when we come up with those differences, and then you start deducting the premiums off of '92, as we did in the '91 program, the revenue side premium is \$9.95 as your officials suggest. That backs it off to 105.49. And then you take off the crop insurance component of it — which I have here as well — is \$5.17 an acre. So in the end, we come up with \$100.32 for the '92 program, net. And the '91 program, this producer's net was \$140.26, for a difference of \$39.94.

Now, Mr. Minister, I recognize, as you are probably going to stand up and say, yes, but you'd have to make some

changes in the '91 program to bring them into context with the '92 program, had there not been any changes made in the GRIP formula. And we'll go through that example now.

The '91 program, if you're changing it, calculating it into the '92 program, if no changes were made, we'll do that calculation now. The \$4.52 per bushel, we'll have to times that . . . we'll have to change that figure to reflect the differences in the IMAP formula. And it was suggested by officials of the Department of Agriculture that the average would be about 7 per cent decrease in there. So that would be 32 cents a bushel. That takes it down to \$4.20 for the durum example. Now we'll times it again by the producer's individual yield — same as what you did in '92 — 35.5. That brings it to \$149.10 an acre. Now of course, there's the premiums we've got to deduct out of that.

In the first example that I used on the GRIP one, the first example of '92, I did not, when I quoted you the figure of \$16.75 an acre, I did not deduct the 25 per cent off the revenue side that the federal government contributed — did not deduct that off of there. So that full amount was in there in that calculation that we came up with first of all. So I'm using — and we can dispute this if you want — but I'm using that same figure, \$16.75 an acre, on the revenue side. That's 25 per cent higher than it was last year, because the deduction the federal government made on the revenue side.

So we'll use — you know, that's a debatable point — but we can use that if you like, \$16.75. Now we have to deduct off the crop insurance component of it, and that's still . . . I use the '92 calculation on that that you use, the same calculation for the premium on the crop insurance component of \$5.45 an acre. So in the bottom line I come down to . . . and this is the point of this exercise, Mr. Minister, is the differences between '91 and '92 with the program changes — \$126.90 an acre for this individual farm situation versus the \$100.32 an acre, for a difference of \$26.58.

And I would like the minister to stand up and tell me in these calculations where I'm wrong or where this individual farm situation is wrong, and if he considers \$26.58 difference in programs between '91 and '92 to be, as he termed it, infinitesimal.

**Hon. Mr. Wiens:** — The member opposite has demonstrated, I think, why there may have been a problem with he and other members of his government in previous times. I said the probability of the 80 per cent reduction in an individual's return was infinitesimal, not that any particular piece of calculation was infinitesimal. There has to be the circumstance where every crop rises up to exactly the index-moving average price and one has to at the same time have a crop failure in order for that circumstance to exist. But let's leave that point.

The member opposite began by talking the contracts. Well it is very curious that the members opposite held up the legislature since June 10 when we attempted to introduce these changes to the program and legislation, has held them up since June 10 — what is that? two and a half months — on the basis of a deadline that they

somehow all of a sudden have found to be sacrosanct, that they ignored annually in recent years. And I haven't had the department look back beyond five years — that they ignored annually in the implementation of the programs with which the March 15 deadline was attached. All of a sudden the members opposite have developed a great respect for something that they absolutely ignored for five years. I don't understand it.

And in the last year, there were a list of changes. And as I've said before in answer to questions in question period, when I went to my farmer meeting with the political crew you sent around, that day when I talked to the staff at the desk they were chuckling. They were chuckling, saying now we're making . . . today we may change number 94 and change number 95. This was your staff saying while you guys were on your political parade.

Well let me tell you what happened with us. We announced the changes on March 13, the absolute earliest day we could announce the changes, because of the games played by the members' opposite friends in Ottawa.

But let me tell you what the contract does say about program changes. Members opposite have said that these program changes are inappropriate. It's not so. The federal-provincial agreement that the members opposite signed said, and I read from the pamphlet you call your contract, said — that you left out in the post offices for farmers to pick up . . . yes, these contracts:

In accordance with the federal-provincial agreement, the terms and conditions of this contract may be changed from year to year.

The federal-provincial agreement provided that there was a mechanism for change. And the provision for change, I could go into the detail of it, but people are probably not interested in the detail of the provision for change. But the federal-provincial agreement provided that the agreement could be changed.

And the reason that we have changed the language around notice in the new Bill is because the provisions of the federal-provincial agreement are inconsistent with the expectations of the very definite time line that was provided in the original crop insurance program which was just rolled into this agreement in the hurry the members opposite had in implementing this program.

Well when the member opposite starts talking about the detail of the program, I have to ask first, are you saying that the members who listened to the farmers, who listened to those who brought information forward, listened incorrectly? Are you saying that these people lack integrity? Are you saying that these people had no rationale for making those recommendations to the minister? What are you saying about these people?

These are people that represent every major farm organization in Saskatchewan. These are people who are farmers first, and farmers who are also committing a lot of their volunteer time to working for an organization as their farm organization. Are you saying these people were coming out of thin air with their recommendations? Or

what are you saying?

The fact is that this committee met and brought forward its recommendations as the result of a process that had integrity. Are you saying they're wrong? They weren't wrong. They made observations about the program. They made correct observations about the program, and they said they had to change. And they recommended a mechanism by which they change. And we accepted those recommendations.

The question that you're raising is do farmers still have an income crisis. Well yes, farmers have a very serious income crisis in spite of these programs. That remains a fact. Farmers have a serious income crisis because we continue to have these very devastating trade games going on. And we continue to have a national circumstance where the Canadian national government expects the farmers to help fight that war, not like their other neighbours that are fighting . . . where the Americans are fighting the war for the farmers and the European community is fighting their war for the farmers.

(1130)

So farmers do continue to have an income crisis. They continue to have an income crisis, not because the province of Saskatchewan has reneged on their commitment in this joint program between farmers and the federal government; it's not because the farmers have reneged on their commitment to this joint program; and it's not because the provinces reneged on their commitment to this joint program. It's because the federal government has not contributed the third line of defence.

And the member opposite said that's not a reliable basis of support. No, it's not a reliable basis of support, the way the federal government has treated it. But their own committee, their committee on third line has been trying to establish a third line triggering device since the agreement was signed. The people that the federal government appointed to their committee, if they would listen to their committee the way we listen to ours, they would have already fixed this problem.

But no, the federal government is a lot like their Conservative brothers in Saskatchewan before them, and sisters. The federal government likes to play political games with farm programs. They don't want predictability and triggers and things the farmers can count on; they want to see if they can't get close enough to an election campaign before they announce any particular piece of help. That's the kind of problem we have with respect to income crises for farmers.

Now if you would get onside and push the federal government, as their third line of defence committee is — the federal government's committee made up of farmers, where Saskatchewan has representation — those people are saying, give us a triggering mechanism to meet your commitment. The federal government has not yet come forward with such a triggering mechanism.

Yes, in that circumstance that's unreliable help, and I would expect you to help us try and make it reliable. Because the federal government made the commitment,

and we need to hold them to it. Because we've kept our deal and the farmers of Saskatchewan have kept their deal; the federal government has not.

Now with respect to the example, the very specific example you gave with respect to numbers. You make my point. You make the point of the committee in the example you give because you describe the exact circumstance that the committee tried to address.

The example you use has a farmer growing durum. The program price on durum was \$4.52 a bushel. That's the 15-year rolling average — \$4.52. Circumstance has it, not any reasonable fact, but circumstance has it that the rolling average for wheat is \$4.15 a bushel. What's the difference — 37 cents?

Last spring, had we continued with the 1991 program, I'm told by my officials that the difference in market price between hard red spring and durum wheat was in excess of 50 cents a bushel — durum lower than wheat. So the program is saying, grow durum at \$4.52 a bushel; the market is saying, don't grow durum because it's 50 cents less than wheat.

You're giving me an example that exactly describes why the committee said you can't have that. You can't have the farmers and the public paying for that kind of a wrong signal. You have to fix that kind of a wrong signal which is why they designed the revenue pay-out mechanism as they designed it.

And the fact is that the revenue mechanism payment as they've designed it is now crop neutral, so that the farmers can go back to doing what they always did before. They now say: well if durum is worth 50 cents less than wheat on the market, and I would think it's going to stay there, maybe I'm not going to grow it.

And the farmers then say, well what do I grow? Well maybe . . . I grew wheat before, but maybe I'd like to grow a little bit of lentils or a little bit of canary seed or a little bit of borage or a little bit of something else. That's the way farmers want to farm, and that's what these program changes allow them to do.

And that's why I believe the committee ought to be respected for what they do. And I think you need to stop your diatribes that attack the recommendations of the committee.

**Mr. Boyd:** — Well, Mr. Minister, so you're saying to the farmers of Saskatchewan — the farmers that put in slightly over 2 million acres of durum — that they made a wrong decision. Is that what he's saying? Is that what you're saying, Mr. Minister? That the farmers of Saskatchewan, the farmers of Saskatchewan that seeded in 1989 . . . the farmers in this province seeded 6.4 million acres of durum. In 1990 they seeded 5.2 million acres of durum.

And you're suggesting that 1991 led farmers to believe that the best thing that they could do to work the program was to grow more durum, and yet they seeded less. They seeded 4.9 million acres. The acreage went down 300,000 acres and the minister stands up and says the only reason they seeded durum was because the price

was . . . the GRIP program guaranteed them a higher return than it would on wheat. And yet the acreage went down — the acreage went down.

And it went down again this year, Mr. Minister. The acreage this year, for the member, from 3.7 . . . pardon me; Saskatchewan, it's 3 million acres according to *Agriweek* — 3 million acres of durum wheat in 1992.

Every year, every year the acreage went down, and the minister says the reason they grew this is because they're trying to work the program. Well, Mr. Minister, if you want to use, if you want to use wheat, I'll use wheat in my examples.

You're suggesting that the farmers that grow durum, they don't know what the heck they're doing; the only reason they grew it was because they'd get a higher return. Well, Mr. Minister, the farmers that grew durum in a lot of cases find that they get a higher yield than spring wheat, and that's the reason they grow durum. It has very little to do with what you're suggesting, that they're trying to work the program.

But if you want, we can go through those very specific examples on wheat and we'll come up with something very similar to those numbers — very, very similar. And I have it right before me if you want to go through all of those, and we can take the time if you like to go through a specific example on an on-farm situation, using your records, your government's, your department's, the Crop Insurance and the GRIP committee's recommendations, and all of their examples. We can work through that if you like, Mr. Minister, and the net result is still something very, very similar to that \$26.58 an acre that I used in the durum example.

And yet you stand up and say the program difference is really insignificant; there wouldn't be much difference on an average farm. Well, Mr. Minister, I want you to stand up in this legislature and work through these numbers with us, work through the numbers for the benefit of the Saskatchewan farmers, and show us in whichever crop you like, whichever crop you choose, where the farmer of Saskatchewan is going to get a higher return in the '92 program.

**Hon. Mr. Wiens:** — Mr. Chairman, the member opposite again either intentionally or unintentionally misconstrues my comments. It is the members opposite who repeatedly refer to farmers as abusers, and I do not believe farmers are abusers. I have lived in a rural community. I'm living on the farm that my father began . . . my father farmed on and my great-uncle before me. And I know farmers. And I believe in their integrity and I believe in their making appropriate decisions. And I know how they think. I am one. The farmers — if the member opposite . . . I'm sure he recognizes it as well — do not like all the interference that they get from programs.

Now the observation I was making, relative to the member opposite's analysis, is that in fact the program . . . example he used is a good example of why the committee made its recommendations. That's all I said, that the program example says that durum is given a \$4.52 price on the program as opposed to \$4.15 wheat price on the

program when the market had durum 50 cents or more below wheat. The program says a 37 cent plus signal for durum; the market says a 50 cent negative signal for durum. That's simply not a good program. Some farmers will respond to that and some farmers will not.

But if it makes sense for my farm to raise durum under those circumstances where it would not normally, I'm not an abuser; I'm making a sound financial decision with respect to how I'm living. My responsibility now, and your responsibility as a legislator, is to make sure programs don't do that, make sure programs don't give those kinds of signals. That's all we're saying. That's all the committee was saying, that a committee should be market neutral, that a program should allow farmers to make the decisions that are best for their operations.

With respect to your contention that I am pretending that there isn't an opportunity, under some circumstances, for farmers to experience a 20 per cent income shortfall to this program. I am not saying that that's not so. Of course it's so. I said it's a very narrow band of circumstance when that extreme loss is there. There are circumstances for farmers, if it were all absolutely right, where the shortfall from last year to this year could be greater than that because of the crops they selected, either intentionally because of the program, or otherwise.

Because the new program, in an attempt not to bias the kinds of crops that are produced, blends the crops in the area to say, here is the general level of support that agriculture in this area requires in order to boost the prices from the market price to the IMAP, however adequate or inadequate the IMAP is.

So the new program simply removes the bias from crop selection so that individuals can select crops according to what they want to produce. Well if I happened to select a group of crops last year that received very high compensation, my loss in coverage this year could be more than 20 per cent.

But it was the intent of the committee to make it so — not to hurt farmers — it was the intent of committee to make it so, so that farmers could again choose their crops according to the market and their circumstances on their farm.

The point about the 20 per cent potential reduction which is the result of separating crop insurance from revenue insurance, that's a crop insurance issue. We've had crop insurance in Saskatchewan since 1962. And farmers lived and struggled with crop insurance at 70 per cent of their area yields for that period of time.

The increase, now that we've separated those programs, goes up to 80 per cent. Yes, it's not 100 per cent, as was provided by the offsets last year. But the offsets last year guaranteed that no matter how much effort you put into farming, you could, with very great difficulty, exceed the average return. So if you think that doesn't influence a farmer who wants to do better, to say that no matter what I do, I can't do better, virtually can't do better, you don't understand farmers. The fact is farmers have to have the opportunity to make their decisions about their farm, believing they're going to be compensated for it.

So if I put more effort into my farming, it's a legitimate choice. I don't think that's a qualitative judgement. If I choose to use Avadex and hopefully control my wild oats to a degree because I believe it makes sense for me this year, I should as a result be able to capitalize on the fact that I get a little better yield. If I don't, I'm saving my 11 or \$12 an acre — whatever it is — and I'm prepared to take a little less yield. But surely I ought to have the right to expect that if I make the decision to use that practice and add the money to the system, that I can get a little bit of compensation for it; otherwise, why would I use it?

It's those kinds of observations that the committee made, that a farmer ought to have the ability to make their farming decisions and be able to get reasonable returns for having made them. And that was not possible under the old program.

**Mr. Boyd:** — Well, Mr. Minister, if you don't want to use durum, let's use wheat. You're saying durum, we can't use that example because it's distorted, because it's 50 cents a bushel higher than the market in '91.

Well in '92, sir, if you followed the markets the last little while, the asking price for durum for the last six weeks has been higher than wheat. For the last six weeks the Canadian Wheat Board asking price for durum has been higher than wheat. And I have the figures here to back up that contention, if you like. So I'm not so sure you're right in your judgement that the durum is going to be of less value than wheat. And that's a debatable point because there isn't anyone, including you, sir, that knows that's going to be the case — including you, sir.

So you're saying to the farmers of Saskatchewan that even though this program gives them 20 per cent less than last year's program, it's better for them. Is that what you're saying, sir?

(1145)

**Hon. Mr. Wiens:** — Mr. Chairman, the member opposite raises the question about the nature of the program and the nature of the market. It may well be so that the durum price changes. But the fact is you've introduced one more variable into the equation by saying, farmers, no matter what the market does, under the old program durum will be worth \$4.52 a bushel. The market can disappear, it can be worth \$1 a bushel, but to you it's still worth \$4.52 a bushel. And somebody has to pay for that. If it goes down to \$1 and the program delivers \$4.52, somebody has to find \$3.52.

Well there are no money trees in this world, much as your previous government believed they might some day grow. There are none. The \$3.52 would have to come from the pocket of the farmer and from the pocket of the other taxpayers. That is the only source for those dollars, and is that issue the committee addressed in their report.

Yes, the fact is that some farmers will experience . . . could experience with short crops, returns 20 per cent less than they would have experienced last year. But the fact is, no matter what happened between 1991 and 1992, with the 1991 GRIP design the farmers would experience a drop

from \$4.15 wheat to \$3.86 wheat. That was in the program design. No matter what happened the premium increases would have been greater than they have already been — and we know they have been excessive — under the old program.

And no matter what happened Saskatchewan farmers and taxpayers would have had a program deficit between 100 million and \$300 million on an annual basis under the old program. That was a fairly distinct likelihood. Because last year . . . you talked about the crop last year, how everybody actually . . . or your partner, your desk partner, suggested that last year every crop there was higher production.

Of course there was higher production last year. We had a marvellous year last year. And in spite of that marvellous year, this very record year in Saskatchewan, the program deficit that Saskatchewan farmers and taxpayers have to pick up — this is not the total for Saskatchewan; the total program deficit for Saskatchewan is in excess of \$200 million — the part that Saskatchewan taxpayers and farmers have to pick up is \$76 million.

That \$76 million loss for Saskatchewan and the \$200 million program loss for Saskatchewan, results in higher premiums because the premium methodology says that you're going to gradually, over a short period of time — three to five years — pick up most of that \$200 million in increased premium.

So if you do that this year and you add another \$100 million or \$200 million next year to the deficit and another 100 or \$200 million next year to the deficit, watch your premiums ratchet it up. And watch the 15-year IMAF slide — 4.15, 3.86, 3.70; where does it go? That's the old design.

Now that's completely inadequate and we haven't fixed all of that. The slide's still there but we have, I believe the committee has, fixed the potential risk to the province in terms of the deficit. There could be small program deficits under some circumstances. And they've done it by a design that does not encourage production of crops different from the market signals. They've done it by designing a program that has less administrative complexity. We now don't need the bin police, as the Minister of Rural Development so aptly named them several months ago. We don't need this army of people running around measuring things constantly.

And the program isn't put at risk by inaccurate measurements. Because I don't care how good you are at measuring a 3,300-bushel Westeel Rosco bin, and I don't care how many times you measure it, when they measure it they're going to get the wrong answer. And if that's the number . . . Because you're never going to guess it right. And you don't have to be out very many bushels on every 3,300-bushel bin in Saskatchewan before you have costs that amount of 50 and \$60 million to the program. Those are costs that somebody has to pay. There's no money tree. Somebody's got to pay the cost for that inaccuracy. So the program has corrected those kinds of things.

The question I asked before and I asked the members to answer: do farmers still have an income crisis? Of course

they still have an income crisis. And we need to address that income crisis, and we're negotiating with the federal government with respect to a disaster-relief package. But we desperately need a change in your attitude so that you demand that the federal government pick up their responsibility. The farmers of Saskatchewan have kept their deal, the province of Saskatchewan has kept their deal, and you better work with us to make sure your brothers in Ottawa keep theirs.

**Some Hon. Members:** Hear, hear!

**Mr. Boyd:** — Well, Mr. Minister, Mr. Chairman, you haven't kept your deal. You haven't kept your deal. You broke my contract, you broke other farmers' contract, you broke your own contract, you broke all of the members that are farmers contracts; and yet you say you've kept your deal. Well I don't think you have, sir.

And I sincerely hope the farmers of this province drag you kicking and screaming into the Supreme Court and we'll see whether or not you kept your deal. Why, Mr. Minister, did you have to come forward with legislation like this to strip away the rights of farmers to their action in court, if you don't think that you had a problem keeping your deal with farmers? Well why did you have to come forward with legislation like that if you kept the deal with farmers?

Well I would suggest to you, Mr. Minister, the reason why you came forward with this kind of legislation, the reason why you had to come forward with legislation as strong as this kind of legislation is because you know very well you didn't keep your deal with farmers. You know very well you didn't keep your deal with farmers.

And the reason that this is done — and you just finished saying a few minutes ago — is to reduce the provincial exposure, reduce the provincial risk. Well, well, well, there is a financial component as far as the provincial government is concerned here. It is financially driven. The Minister of Agriculture all morning long has suggested that no, no, this had nothing to do with any . . . nothing whatsoever to do with financial exposure as far as the provincial government is concerned. And just a moment ago though, he said it has reduced the provincial risk.

Well, Mr. Minister, yes, it may have certainly reduced the provincial risk all right, but it sure has increased the risk to every farmer in this province. Every farmer in this province has sat down, I would suggest to you, sir, and they have looked through their differences in their program and they see \$20 to \$30 to \$40 an acre difference in the program. And they're saying to you, I wish, I wish, sir, you would get off of this idea that well, even though there is a program difference, we'll just point our finger east towards Ottawa and say, make it up. Well that's what you're saying to them, sir.

The last article of . . . and the program changes that you've come forward with, sir, if we look at the last issue of *Agriweek*, August 17, '92:

No provincial regime in memory has pulled as many farm policy blunders in such a short time. What the NDP failed to grasp about GRIP is that

many farmers, probably the majority, see it as a source of additional crop income, not merely insurance. Cost cutting such support in a tough year would be unpopular even if it was done right.

Even if it was done right. But it wasn't done right. It wasn't done right and the evidence is right before us. The reason why the evidence . . . the reason why the program was changed and the reason why you had to come forward with this Bill is because it wasn't done right. And that's why, that's why you have to have a team of lawyers following you around on this thing, because you know very well it wasn't done right.

It wasn't done right. And the reason that you've had to extinguish the right to farmers is because you know very well that a court of law in this province would have said they agree it wasn't done right. They agree it wasn't done right. And that's why the judge suggested that there's going to be a hurt, a hurt associated with this program, of \$27.20 an acre. An identifiable hurt.

And I've laid out two clear examples to you today, sir, of that hurt — 36 bucks an acre in the situation of durum and approximately \$27 an acre in the situation of wheat on this farm, this real life farm.

And you hold it up and say, well so what? Maybe there is a little bit of difference. Maybe it is a small, little, infinitesimal difference. Well on a thousand acre farm, an average farm in Saskatchewan, roughly 25, 30,000, \$35,000. Ah what the heck, it's only their living. It's only their entire amount of income that would be generated from this program that they're going to live on. Well they're just going to have to get by, aren't they? Get by the best they know how.

Well, Mr. Minister, the reason why farmers don't agree with you on this, sir, is because they see a substantial difference in the program, a substantial return difference on their farm. And also, they see a program that's been changed by a government that's had to bring forward probably the strongest legislation this province has ever seen — probably the strongest legislation the province has ever seen — extinguishing rights of people, extinguishing the rights of people to go to court, extinguishing the rights of ongoing court cases.

All of those things are in this Bill, Mr. Minister. And in order to try, in order to try and hold it together, so you wouldn't have a constitutional challenge on your hands, you've had to put in 10 whereas clauses into the Bill to try and hold off a challenge on the constitutional grounds. That's what's in it.

And that's why farmers are saying, why did this government have to go to such extremes? All you had to do, Mr. Minister, in this program, was offer '91 or '92 GRIP to farmers, if you're so sure '92 is better, or take it to the appeal court and find out whether you're right. Find out whether that team of lawyers that you have behind you is correct. Find out, sir, whether the farmers have a case. Find out whether it's \$27.20 an acre difference. That's all you had to do. We've asked you time and time and time again in this legislature.



But, I think, Mr. Minister, your stubbornness has held you back on this. You know you're wrong, but you say . . . And I can just imagine what goes on in your caucus. There's about four or five of you stand up and say, we're going to ram this through no matter what it takes. No matter what it takes, we're going to ram this thing through. And that band of 10 Conservatives over there, if they don't like it, too bad. We'll change the rules of this legislature if necessary. We'll make it so that they can't talk. We'll make . . . we'll get around it somehow. Exactly.

The Assembly recessed until 2 p.m.

Mr. Minister, they've had to put closure on it so that we can't dispute it any longer than a couple more days . . . (inaudible interjection) . . . and good move — they're all yelling, good move. Well, Mr. Chairman, that's a real, real fine example of New Democrats. Real fine example of New Democrats, Mr. Chairman. Real fine example of the people in this legislature, the MLAs (Member of the Legislative Assembly). They all think they're above the law.

Well we'll find out. We'll find out whether you're above the law. We'll find out when it gets to the Supreme Court whether you're above the law or not. That's when we'll find out whether that team of lawyers that you have that helped draft this Bill is correct or not. That's when we'll find out. We'll find out for sure whether you're correct, Mr. Minister, in your program changes.

And you can talk all you like about what's gone on in the past. But the fact remains, you're the one that's in court, not anyone else. You're the one that's in court, not anyone else, sir. Five farmers believe you're wrong. And in spite of having to bring in legislation like this, we'll find out, won't we?

I sincerely hope the farmers of this province have enough money left to be able to take you to court. Why, sir, would you not send this to the appeal court? It could have been done quickly — very, very quickly. And you know it could have been done very quickly, sir. The same thing that was done on the electoral boundaries thing. It went rapidly through the courts, because it was a matter of importance. And this is an example, a similar example of extreme importance. And it could have went through very fast, and you know it.

And I suggest that the team of lawyers that you have, they also know it could have gone through the courts very quickly. But they're hoping, they're hoping that this kind of strong legislation will hold off that challenge. The same kind of advice that was given to you — why not slap a little bond on these farmers with this little court case; put a \$750,000 barrier in front of them and see if they got the guts to take it on then.

Well they did have it, didn't they, Mr. Minister? They had the guts to take you on. And they will continue to take you on, I predict. They will continue to take you on until we get to the Supreme Court on this thing. And it might be a couple of years — it might be a couple of years, but hopefully they'll continue fighting you, sir.

**The Chair:** — Pursuant to a special order of the Assembly, this committee will recess until this afternoon's routine proceedings are concluded.