

*Government Orders*

Having produced a 50 bushel to the acre barley crop would we have got a GRIP payment this year? Because the price is only \$1.40 per bushel and GRIP coverage should have been around \$2.30 a bushel, would we have got a payment? The answer is yes, we would have got about \$55 million of payment. In total receipts from the fund, had we produced an average crop this year instead of the crop we did, this year's crop would have produced \$120 million from the income account. What would it have cost us to get that? Our premiums into the account would have been in the neighbourhood of \$220 million. With the crop we produced this year, if we had had the GRIP program, we would have contributed about \$220 million on wheat and barley in the form of premiums and that would have given us the right to pull out about \$120 million of GRIP payments.

• (1815)

The point of the story is that if we produce an average crop, we are more likely to get a better return. We will spend less money putting fertilizer and chemicals into the crop. The new market realities for farmers after this particular series of agreements come into effect is that farmers will be encouraged to reduce the amount of production they have.

This is reminiscent for some of the older crowd, including myself, of the LIFT program that Otto Lang introduced back in the 1970-71 crop years. It was LIFT, as you will remember, Mr. Speaker, that was supposed to stand for lower inventory for tomorrow and farmers very quickly said that what it really meant was lower incomes for tomorrow.

When we take the data that was presented from the Department of Agriculture in the committee, when it was presenting its expert opinions, we found that net farm incomes from grains and oilseeds across Canada has run about \$3.5 billion to \$4 billion the last several years and is expected to go almost to zero for the crop year 1990-91, the year that we are in. By using the example that I have just presented, for Saskatchewan at least, there would have been virtually no advantage to having had GRIP in this year that has just past. Even with GRIP Saskatchewan grain growers are going to have to get used to not having any money for the crop year 1990-91.

The department's estimates for net farm income in future years, 1992 and 1993, are quite optimistic relative to this year. The department estimates we could have \$1.5 billion to \$2 billion of net income, thanks to substantial GRIP and NISA payments expected in 1992 and 1993. That could all be thrown into a cocked hat if farmers have a good crop this coming year.

The worse thing that could happen to our region with the kind of agreements that are being signed is that we have another crop similar to the one we have just had because we will have contributed more to GRIP than we will get out and we still will not have any money, just as we do not have any money this year.

This is not a perfect program. As I say, the legislation is permissive. It is the agreements that are being signed between the provinces and the federal government that we have to be critical of.

Farmers have been very much aware of the similarity to these agreements and the LIFT program. They did not like LIFT. They felt forced into signing into LIFT because the government of the day told them that if they did not sign up for LIFT, they would not be able to deliver any grain because they would not have any quota. The only way they could get quota for the grain that they had built up in their storage bins was to sign up for the program and then they would get the right to be able to deliver it. They signed but under protest.

When I listen to my farm constituents and people across the west, and some of the mumblings I am hearing out of Ontario as well, they are not liking it but they do not see that they have any choice. I hear people trying to make arrangements. A number of very good operators have told me that their fertilizer has been cancelled. I spoke to a representative of one of the large supply companies in western Canada this morning who said that they have had a number of customers come to them and say: "We will pay you the margin on the fertilizer, but we do not want to take it". In other words: "We will guarantee that you have a profit for having handled it, but please keep it in your own storage. We do not want it. GRIP makes it a liability for us to have it. It just increases our costs and will decrease the amount of money that we will get in return at the end of the year".