

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Seventeenth Legislature
10th Day

Wednesday, December 11, 1974.

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

Hon. N.E. Byers (Kelvington): — Mr. Speaker, before the Orders of the Day, I should like to introduce to you and to all Members of this House, 34 Grade Ten and Twelve students from the Invermay High School who are seated in the Speaker's Gallery. They are accompanied by two teachers, Mrs. Edwards and Mr. Krawetz and their bus driver, Ryan Olyniuk, a Grade Twelve student who also operates as a bus driver on a regular bus route.

I am particularly pleased to present this school to the House as the Invermay High School as a general rule makes an annual visit to this Legislature. They have undertaken a very wide range of activities for the day. They departed from Invermay at 7 a.m. this morning for a trip well over 160 miles. They have visited the IPSCO Plant and the RCMP Barracks this morning. They had lunch in the Dome Cafeteria and I shall be meeting with the group later this afternoon.

Invermay is one of the older communities in Saskatchewan. It was first settled in 1885. It became a village about 1904. It is one of the diversified farming communities within our province and it does maintain to this day a very active agricultural society. The annual Invermay fair is attended yearly by citizens from a wide radius surrounding Invermay and the exhibits there are of the highest order.

I want to ask all Members to join me in welcoming these students to the Legislature. It is my hope that this visit will give them a deeper understanding of our democratic process. I hope that they will visit this Legislature on a future occasion. I want to wish them a safe journey home and ask that all Members join in welcoming them today.

Hon. Members: Hear, hear!

QUESTIONS

MINISTERS' CONFERENCE

Mr. C.P. MacDonald (Milestone): — Before the Orders of the Day I wonder if the Minister of Mineral Resources (Mr. Cowley) could advise the House if he is going to make a statement on the Ministers' Conference that he has just returned from?

Hon. E.L. Cowley (Minister of Mineral Resources): — Mr. Speaker, I do not propose to make a statement on the Conference that I have just returned from.

Mr. MacDonald: — In that case, Mr. Speaker, I should like to direct a

question to the Minister. The Press reports coming from the Ministers' Conference are that the two Ministers from Saskatchewan went to Ottawa without offering one new suggestion to break the impasse between Ottawa and Saskatchewan that is surely choking the oil industry in Saskatchewan because of the passing of Bill 42. The Minister is aware I think . . .

Mr. Speaker: — Order, order! Ask a question not a statement, please.

Mr. MacDonald: — Mr. Speaker, I did. I asked if the Press reports are true, that the two Ministers from the Province of Saskatchewan did not offer one new Saskatchewan initiative, one new innovation to solve the impasse between Ottawa and Saskatchewan. The Federal Government came back in a small way in the Federal Budget, did Saskatchewan not offer anything in this regard?

Mr. Cowley: — Mr. Speaker, I will answer for myself and my colleague, the Minister of Finance (Mr. Robbins) is quite capable of answering with respect to his department.

We travelled to Ottawa and we offered them I think some very useful insights as to the effects of their policies on the Province of Saskatchewan that they had obviously not considered it this point in time. As to whether or not they will take to heart some of the advice that was given them by the Province of Saskatchewan and I might say by other provinces in this country, not only western provinces, it will take some time to see what the reaction of the Member for Milestone's colleagues in Ottawa are.

Mr. MacDonald: — Mr. Speaker, a supplementary question. Is it a fact that one of the solutions to the oil impasse between Ottawa and Saskatchewan is the suggestion that the price of a barrel of oil will be raised? Could the Minister tell us, is it the intention of the Government to change the provisions of Bill 42 because under Bill 42 and the 100 per cent surcharge no matter what happens to the price of a barrel of oil none of it will be passed on to the company? Is it your intention to amend Bill 42 if the price of a barrel of oil changes so that the oil industry will get a portion of that increased price?

Mr. Cowley: — Well, I think the Member for Milestone asked a very appropriate question because for any \$1 increase in the price of oil now the way that the provincial tax is structured, the increase and return to the province would be \$1 with no return to the oil company. The Federal Government would pick up about 40 cents which would be \$1.40 owing to a \$1 increase in price. I think the answer to the Member's question is fairly obvious, that if there was going to be any resolution of the current impasse brought about by an increase in the price of oil it would have to be a negotiation that went much wider than just the question of the price of oil. We would obviously have to consider in those negotiations assuming we could arrive at a solution that one of the possibilities would be a change in the provisions of Bill 42. Now that is one of the possibilities.

Some Hon. Members: Hear, hear!

STATEMENT

LAYOFF OF EMPLOYEES AT PACKING PLANTS IN SASKATCHEWAN

Hon. J.R. Messer: (Minister of Agriculture): — Mr. Speaker, before the Orders of the Day I should like to respond to a number of questions that were asked by the Leader of the Opposition yesterday before the Orders of the Day. Questions in regard to suggested lay-offs of employees at packing plants in the Province of Saskatchewan and any relationship the Saskatchewan Hog Marketing Commission may have with those lay-offs and/or myself as Minister of Agriculture.

I want first to say, Mr. Speaker, that I was not aware that the plants were planning to lay-off any employees during the Christmas holidays. However, I did undertake some preliminary investigation in regard to the accusations that were made by the Leader of the Opposition (Mr. Steuart). I am told that hog deliveries are traditionally very low during Christmas week. In fact for the period last year, during the Christmas week there were less than 8,000 hogs delivered. I believe that the Leader of the Opposition is aware of this because of the holiday season, certainly the packing plants know it and so does the Hog Marketing Commission.

Lay-offs I suppose can be expected during such periods of slack deliveries. I am not able to say whether, in fact, there are going to be lay-offs this year or what number may be involved if there are lay-offs, but I do suspect that there will be some at some plants in the province. I do know that last year there were 130 employees laid off at Burns and at Intercontinental; in 1972 the year before there were 220 because of a reduction in deliveries because of the holiday season. However, Mr. Speaker, I want to make it emphatically clear that there has been no agreement, no agreement between the Hog Marketing Commission and the plants that the Commission will not buy hogs during or on the Christmas week. The Commission will be open Christmas week as usual except for December 25th, Christmas day and December 26th, Boxing day, which are statutory holidays. I must say this is consistent with the policy of the Commission as they were open during the same period last year. However, those hogs that are offered for sale by producers during that Christmas week will be slated for slaughter on Friday, December 27, rather than through the whole Christmas week. The packing plants advise the Commission as to their hours of operation whenever normal working time is altered by such things as statutory holidays. The Commission does not in any way give any direction or have any authority to give direction to those packing companies. So that nothing different was done on this occasion. The Leader of the Opposition may as well question us for not having plants open on Sundays if he thinks we should interfere with what the packing plants want to do with their employees during statutory holidays.

I believe I am correct in assuming that tenured employees cannot be laid off and as such will be paid regardless of whether there are hogs to be slaughtered or not. I, Mr. Speaker, repeat deliveries are light during Christmas week but the Commission remains open to allocate those hogs which the producers have for sale. This is the only action which I or anyone else can take short of forcing producers to deliver hogs when they choose not to.

Some Hon. Members: Hear, hear!

Mr. D.G. Steuart (Leader of the Opposition): — I asked a question but since he is commenting on a statement I made, I should like to point out to the Minister that the Hog Marketing Commission themselves on the CBC noon broadcast announced just the opposite, that they would not in fact be allocating any hogs Christmas week. I just want to say to the Minister that he should either find out what's going on in his own department, his own Hog Marketing Commission or quit misinforming this House. I say to the workers of this province that they are being laid off because of the lack of action.

Mr. Speaker: — Order, order! I think that when a Minister rises in the House and makes a statement the House has to accept their word. On statements it's a long standing rule.

QUESTIONS

OIL EXPORTS

Mr. J.G. Richards (Saskatoon University): — Mr. Minister of Mineral Resources, there have been statements in the Press concerning the concern of the Saskatchewan Government about curtailment of exports of petroleum products to the United States. For example, December 6th Saskatchewan aired concern over oil export curbs. The Federal Government has recently tabled the National Energy Board Report on this subject. What was the position of the Saskatchewan Government at this recent Ministers' Conference on the question of oil exports?

Mr. Cowley: — Mr. Speaker, I want to inform this House and the Member for Saskatoon University that it was not the policy or the question of whether or not we should be indeed curtailing exports to the United States that we raised either in the statements I made which were referred to in that article or at the conference in Ottawa. We were simply making two points. One, that if there was just a blanket reduction in the exports of crude oil to the United States, then the first crudes that would lose markets in the United States would be the heavy crudes and the medium sour crudes, so called light heavy crudes by the Federal Government, who have two categories in every crude, which would be cut off by people in the United States who purchase crude oil because they are the less desirable types of crude when you have roughly a flat price. This would affect Saskatchewan very adversely. I point out that the only facilities for refining the medium sour crude are in the United States which are capable of taking out the sulphur. The heavy crude is a particular problem because of the high amount of asphalt that results from it. So this was a particular concern as to how the allocation would take place in the reductions in exports to the United States, whether they would all fall on the lowest grades of crude or not and adversely affect Saskatchewan vis a vis Alberta. I might say that there are some particular problems with the heavy crudes, that it is not a question of shutting the tap off and having it there in two years to turn on again, because of the methods that are required to recover the heavy crude from the ground which are capital intensive and take some time to put in place.

The second area that we were concerned about was the impact that this would have on the revenue for the Saskatchewan Government and also for the revenue of the producers affected. We said that if indeed this crude oil was going to be kept in the ground, not for the benefit necessarily of the Saskatchewan people, but for the benefit of all Canadians then the costs associated with keeping it in the ground should be borne by some means or other by all Canadians. These were the concerns we were expressing. I think we have some questions that are still unanswered as to what the real effect of the National Energy Board as modified by Mr. MacDonald's statement means, because of the 250,000 barrels a day which they talk about setting aside for the fictitious pipe line to Montreal and whether or not it was actually going to be kept in the ground or whether there would be an effort to move this oil by the Panama Canal and to move it through the St. Lawrence Seaway system when that's available and not be storing it. Some of these questions are not entirely resolved so it is difficult for us to assess the impact in terms of barrels per day. It is difficult to assess the impact before we know how they are going to allocate the different types in crude into the United States. We have made the point which has gained some recognition although I wouldn't want to say acceptance, that the costs associated with this should not necessarily be borne by the producing provinces and the producers.

Mr. Richards: — Mr. Speaker, a supplementary. I appreciate the Minister's concern about the impact on Saskatchewan of any crude export restriction program, but I should like to ask a question of principle as to what is the Provincial Government's stand? If you mean, which may be a big assumption, there can be some satisfactory resolution of the cost borne because of restriction, is it the position of the Provincial Government that the Provincial Government of Saskatchewan is in favour of the curtailment of exports by the initial 100,000 barrels per day, the 250,000 barrels per day extension which the Federal Minister has proposed, and in fact is the Minister in favour of the position which has been on many occasions voiced by Members of the New Democratic Party, of a total phase out of oil exports to the United States?

Mr. Cowley: — Mr. Speaker, the answer to that is based on providing satisfactory compensation not only to the producing provinces but to producers can be arrived at and providing that it can be shown that there will be a market in the future for the various types of crude. If we don't have any refining facilities and don't propose to have any, it doesn't make much sense to leave that particular kind of oil in the ground. And providing that either by means of the private or public sector we can continue to have in all of Canada a satisfactory rate of exploration in order to assure, particularly our friends to the East, an adequate supply of crude oil for the future, I agree with the policy.

STUDY BY MEDICAL STUDENTS IN NORTHERN SASKATCHEWAN

Mr. D.F. MacDonald (Moose Jaw North): — Mr. Speaker, I should like to direct a question to the Minister of Northern Saskatchewan (Mr. Bowerman). I would ask him if it is true, as was reported in yesterday's Leader-Post,

that two female medical students sponsored by the Northern Health Services were conducting a study of penis lengths of native people in northern Saskatchewan last summer?

Hon. G.R. Bowerman (Minister of Northern Affairs): — Mr. Speaker, I read the article in the Leader-Post, Mr. Speaker, and I have attempted to contact the medical doctor in Saskatoon for an answer. I presumed that there would be some person in the Opposition raising that question today and I have not been successful in contacting the medical doctor there. If he had gone on to read the article he would have found out that the doctor at Saskatoon did make a statement with respect to the question raised by the Northern Area Teachers' Association. I think that comment is really satisfactory with respect to the question that was raised.

Mr. MacDonald: — Mr. Speaker, I don't think that it is necessarily good enough but I should like to ask the Minister, I am sure that he has spoken to the Northern Teachers' Association, did he respond to the accusations of the Northern Area Teachers' Association, as they contend that such studies in effect treat northerners as 'guinea pigs' and I am again quoting, and that the Government wouldn't dare to attempt such studies or experiments anywhere else except northern Saskatchewan. Did he respond to that accusation by the teachers of the North?

Mr. Bowerman: — There was no study authorized by the Government or by myself in that respect. The question raised by the Northern Area Teachers' Association was not raised with me. My first indication of anything of that kind was what I read in the Press yesterday.

INTERIM REPORT - INSTITUTE OF NORTHERN STUDIES

Mr. A.R. Guy (Athabasca): — Mr. Speaker, I wonder if I could direct a question to the Minister.

Mr. Speaker: — I have had three questions, will the House permit another question.

Mr. Guy: — Has the Minister received an interim report of the Institute of Northern Studies which is developing a system to provide personal and private statistical data on every person in northern Saskatchewan for the use of DNS?

Mr. Bowerman: — I am not aware that the Institute for Northern Studies is undertaking a program to provide that kind of data on every individual person in the North. I know that that's the way the paper reported it and that is the way some of the comments have been made. There has been no approval given for that kind of study. Certainly the department will not proceed on any study that involves it to that suggested extent.

Mr. Guy: — A supplementary question to the Minister. The Minister was at the meeting, he admitted that this project was started

in September 1973 and that it is being carried on today and that the purpose of the project is to develop a computer bank of information that can be used by DNS officials planning programs. This of course includes every individual in northern Saskatchewan. They are treating them like guinea pigs and prying into their personal and private lives.

Some Hon. Members: Hear, hear!

Mr. Bowerman: — Mr. Speaker, that is not at all the question which the Member asked in the first instance. There is no question that I was at a meeting with the Northern Area Teachers' Association at which they raised the question about the computerization of information data on northern Saskatchewan. There is no question that we have undertaken a program or a study for the computerization of data and that is physical and geographical data in northern Saskatchewan. We have been doing that in conjunction with the University of Saskatchewan and we will continue to do that kind of a study if it proves to be worthwhile and we should continue with it. But there is no indication nor did I give any support to a proposal or to the accusation which was made by the Member that that was going to be a study, a data compilation of individual persons in the North. That so far as I am concerned has not been undertaken by the Department.

RESOLUTIONS

RESOLUTION NO. 1 - ABANDON FREEZE ON RAIL FREIGHT RATES

MR. R. ROMANOW (Attorney General) moved, seconded by Mr. J.R. Messer (Minister of Agriculture):

That this Assembly opposes the recent decision of the Federal Government to abandon the freeze on rail freight rates because: (a) it precedes the completion of a new transport policy to correct the discrimination against Western Canada; and (b) it will mean sharply increased freight rates for Saskatchewan shippers.

He said: Mr. Speaker, I rise this afternoon to move the motion which is before all Members, on Government Motions, relating to the rail freight rate freeze and the recent decision by the Federal Government allow that freeze to lapse effective the end of this month, 1974.

Mr. Speaker, I intend to take a little bit of time, perhaps more time than I usually take in making speeches, to discuss this particular topic. It needs some discussion because it is a very important problem not only for Saskatchewan, but also for the whole of western Canada and for the future of regional growth of industrial development. It needs a little more discussion, Mr. Speaker, because in a sense in this Resolution we will be assessing, a year and a half later, the impact of the Western Economic Opportunities Conference (WEOC) of July 1973, the Conference that was intended to identify western Canadian problems and chart solutions to them.

Mr. Speaker, Members of the House will know that the freight rate freeze was implemented by the Federal Government at that Calgary Conference at WEOC. Its basic purpose was to buy time for western provinces and Ottawa to come to grips with the transportation problems that face western Canada.

What is some of the history or background of the freight rate freeze problem? Mr. Speaker, on February 14, 1972, the railways implemented a general freight rate increase. I want to tell Members of the House that on February 14, 1972 that increase was made by the railways in accordance with their habit of increasing rates annually or semi-annually over the last several years, certainly since the National Transportation Act of 1967 was passed.

To illustrate my point, between February 1, 1970 and February 14, 1972, the date I just mentioned, four increases in a series were implemented by the railway companies. In that series of four increases, freight rates rose by something in the order of 36 per cent. Putting it another way, if the freight rate for a particular commodity was \$1 on February 1, 1970, it increased by February 1972 to \$1.36. At the present time, with the railways proposing a further increase in rates of up to 30 per cent from January 1, 1975 once the freeze is lifted, that rate is likely to increase to \$1.69 from the \$1 in 1970. The result will be a 70 per cent increase in commodity rates basic to the movement of western Canadian products, this in a four-year period by the Canadian Pacific Railway and the Canadian National Railway.

Mr. Speaker, as everyone is aware, this is a serious situation. As everyone is also aware, there are some very serious anomalies, inequities in the western Canadian freight rate structure. I think that every political party in the West, NDP, Liberal or Conservative has been saying that. Part of the motivation behind the Calgary WEOC meeting in 1973 was to try to meet this particular problem as a result of the continued complaints by western provincial governments about freight rate charges and about the bad effect that those freight rate charges had on our attempts to industrialize the West.

Generally, when Prime Minister Trudeau called for the WEOC meeting he told the western provinces, the four of them, that the railways would be asked by the Federal Government to withhold or to freeze any proposed increases in freight rates, and here are the very important words, "pending an opportunity to examine western transport complaint." At the time, to be fair to the Prime Minister, he also advocated the freeze as an anti-inflationary measure. In the latter stages of the freeze, the Federal Government began to play up the fact that the freeze was really not a measure to buy time for us to look at western Canadian transport problems, but rather federal authorities began to play up the aspect that the freeze was an anti-inflationary move. They started saying that this was the basic purpose behind the freeze. They admitted subsequently this purpose was not achieved and, therefore, began to argue that the freeze should be lifted.

The point I wish to make here is that the understanding of all of the western provinces, and I believe that this was the understanding by the Federal Government at Calgary with respect to the freight rate freeze, was that it was to be put into effect and maintained until such time as the four provincial governments and the federal authorities were able to come up with some of the solutions or some of the answers to these anomalies, these freight rate inequities that the West has been crying about and arguing about over the last number of years, the last number of decades. The Federal Government de-emphasized

this primary intention and in effect started to say that it was an anti-inflationary move. As we all know, as a result of the Federal election just a few months ago, this anti-inflationary aspect was played up and the freeze immediately became jeopardized.

Mr. Speaker, at the conference in Calgary, it appeared that the rail freight rate freeze would include all rates, except agreed charges. Agreed charges are the contracts entered into between the shippers and the railways. At least certainly that was my understanding and the understanding of all the provincial governments. However, soon after the Calgary conference, the freight rate freeze was further whittled down by the railways, partly in concert with the Federal Government. I say in concert with the Federal Government because the Federal Government did not protest too strongly to the whittling down by the railways so that in the end the freight rate freeze applied only to those rail rates that took the general increase of February 14, 1972 - the day that I mentioned - and that only covered about 22 per cent or less than one quarter of the entire total of the rates charged.

So from what appeared to be an understanding in Calgary that the freight rate freeze would apply to all charges except agreed charges, we found out as time passed and as the rates kept being bounced up by the railways, that in fact this freeze was limited to those categories increased on February 14, 1972, or less than 25 per cent of the total rates.

Mr. Speaker, since the rate freeze was announced at Calgary all other rates and agreed charges have been raised by the railway companies by varying degrees. In fact, I contend that some rates which were supposed to have been frozen even within the less than one quarter limitation finally settled upon were increased in the same period by the railways. In some instances, specifically steel, increases which were made by the railways were justified partially by the fact that their own sources of revenue had been frozen. This, Mr. Speaker, was not true. Between August 1973 right after WEOC and today's date (although we are not sure about this) it is estimated that the railways will have received something in the order of about \$150 million in some form of subsidies, the subsidy paid, on the estimate of 22 per of the freight traffic to be frozen and to be paid on basis that it was to be a compensation to the railway companies for their losses in revenue as a result of the freight rate freeze. Yet, Mr. Speaker, despite the subsidies, despite compensatory increases, in the unfrozen portion of the rates, despite the word of the Prime Minister and the Minister of Transport at Calgary, it appears that the railway companies immediately after Calgary were intent upon whittling away on the commitments made to this region by the Federal Government and in fact did so.

Now, on top of all of this, Mr. Speaker, with the freight rate freeze coming off on January 1, the railways say that they will increase rates on those movements previously frozen by 30 per cent more, effective January 1, 1975.

Mr. Speaker, I think the people of this country and this province are entitled to ask some questions. What assurance do we have that these increases and the subsidies that were paid during the frozen period are proper compensation to the railways and do not represent a massive rip-off of Western Canada

by the railways? We have asked that question. No answers are forthcoming. Apparently there is no assurance that the compensation sought by the railways on January 1, namely an additional 30 per cent increase, is a fair compensation.

During the last year, the four provincial governments in the Federal-Provincial Committee of Western Ministers and Officials, which was a direct outgrowth of Calgary, repeatedly endeavoured to elicit from the Minister of Transport, the Hon. Jean Marchand, precise details as to how the subsidy was paid, this \$100-\$150 million. What checks were being made by the Canadian Transport Commission or by the Federal Government on the railways in their claims for the subsidies? Of course the all important question was asked: How much is being paid or was going to be paid to the railways in the subsidy?

Mr. Speaker, it is not unfair of me to say that the Minister of Transport, the deputy Minister and the officials, simply were unable and have been unable to today's date to provide answers to these questions. It appears to me simply that the railways have either sent a bill or are going to send a bill, to the Government of Canada and to the people of this country. The Government simply responds by writing out a cheque. At the last meeting of the Ministers of the western provinces with Mr. Marchand in Saskatoon, we asked for two pieces of information: 1. What rates have been subsidized and how does the Canadian Transportation Commission audit the subsidy payments? 2. What proportion of the subsidy accrues or is charged to western Canada and the traffic that we move?

I am not being uncharitable because it is not particularly a problem of Mr. Marchand's making; it is the unbelievably chaotic system of the transportation structure of Canada. I am not being uncharitable when I say that time after time the Ministers, all Ministers, federal and provincial were put off by vague generalities which really amounted to a tacit admission that no one had the answers to these questions. We are concerned, because it was felt that the railways were raising the rates, as I have said already, despite the freeze and claiming the subsidy at the same time.

Mr. Speaker, I said that no one seems to know about how to answer these particular questions. As I said, I don't want to be uncharitable to our Federal Minister of Transport, but I just want to underline this point that I have made. On November 26th, 1974 just a few weeks ago in the House of Commons, the Minister of Transport was asked a question by a Member of Parliament on this very question. I will put the question into the record so that it is not out of context. The question is put by Mr. Les Benjamin, Regina Lake Centre:

A supplementary question, Mr. Speaker.

Since the freeze was expressly intended to provide an opportunity to review and remove certain anomalies and inequities in freight rate structures, and since the attempt to do so has been thwarted by the railways' refusal to reveal their cost data, will the Minister agree to extend the period of the freeze until such time as the proposed legislation is in effect or until the railways have provided the information which is required?

Hon. Jean Marchand, Minister of Transport, answered:

Mr. Speaker, I do not think personally that that would serve any practical purpose because as you know, the freeze touches only about 22 per cent of the revenues of both the CN and the CPR.

Now, Mr. Speaker, here are the key words:

We do not know exactly how rate structures are made up. We do not know exactly which ones would be affected and we shall only know when the CN and the CPR file their applications with the CTC. So I think the most efficient thing to do is to introduce the legislation as soon as we can.

Now the question and the answer touch on other matters related to the freeze, but the key thing there is that the Minister of Transport of Canada is telling the people of Canada that the Government does not know how the freight rate structures are actually made up; that they don't know which ones are affected, and conversely, Mr. Speaker, they don't know which ones of the 22 per cent are affected, and they don't know how the subsidy rate is to be made up and will only know when the CNR and the CPR file their applications for the rate increases on January 1st, 1975.

Mr. Speaker, as Canadians, this is indeed an almost unbelievable situation where the railway companies have placed themselves above answering to any elected authorities, whether in Canada, or in the provincial House.

Now in addition, the four provincial governments requested that the Minister of Transport provide figures as to the percentage of the subsidy paid as a result of movements in and out of western Canada. I mentioned this already. We did this again in Saskatoon in October. No answer was forthcoming to this inquiry. Lately, in a telex to myself, the Hon. Jean Marchand has indicated that about 40 per cent of the subsidy paid to the railways can be directly related to the western Canadian movement, 40 per cent. Now that answer was not available to us when we met with them. It was not available because the Minister, Mr. Marchand did not tell us that it was available and specifically said he didn't have it. He made it available subsequently in a telex to the provincial governments when he announced the freight rate freeze was off.

Mr. Speaker, this raises some very serious questions, not only about railways and transportation policy for Canada, but also about the Western Economic Opportunities Conference. I know that the Hon. Members (I hope they don't, but I am fearful that they will) immediately will say that this is again part of the Saskatchewan NDP attack on anything that the Federal Government is trying to do. But I want to tell the Leader of the Opposition (Mr. Steuart) that I personally and I believe the Premier and the Government feel that certainly if there has been any hope of results from WEOC, it's been in the transportation area. I think the areas of agriculture and industrial diversification alike have really petered out, but what we've got going in WEOC on transportation is something which is a positive thing - certainly was a positive thing.

I want to say to the Leader of the Opposition, that in the 16 months since WEOC, in my judgment, in the area of transportation, little has been accomplished in the solution of these very obvious freight rate anomalies, or in the elimination

or modification of inequities of our freight rate structure. I say to the Leader of the Opposition, very little has been accomplished. I know that you can't change a transport policy overnight. No one is saying that an adequate amount of time should not be allowed to do a thorough study as to the implications, but the major problems of the West that were raised at Calgary remain unanswered. Mr. Marchand says that one of the reasons why the freight rate freeze will be lifted on January 1, 1975, is because in his judgment substantial progress had been made in the transportation matters. Not so! Let me just give the House a brief report on the outstanding matters, outstanding now for coming on to the second year, the end of the second year. What are the complaints of the West?

1. The West says that the National Transportation Act, 1967, under which the railways, indeed all transportation operates, is bad legislation for the West. We argue that the National Transportation Act is predicated on a wrong assumption. The NTA is predicated on the assumption that competition among modes of transportation will somehow produce the best freight rates.

This simply has not and cannot work in western Canada. We don't have effective competition by shipping. We don't have effective competition by trucks, especially when the trucks in the major area are owned by the subsidiaries of the railway companies themselves. So what we have said, first for the West is that we must change the policy and the philosophy behind the NTA. All four western provinces, including Alberta, have said that the principle of competition in the NTA is obsolete for the West. What we have said in Calgary is that we need discriminatory freight rates. But we need discriminatory freight rates to discriminate in favour of western Canada for a change, and not against. Now that's a complaint. It's a fundamental complaint. To be fair, Mr. Marchand says that the NTA appears to have deficiencies. In fact he even said at one time in the last three or four months that the transportation system is in a mess. But if he acknowledges it that far, and if we're right that the principle behind the NTA of competition doesn't work, then why is the freight rate freeze being lifted under the existing law, which all four western provinces test and want changed. We see no legislation in this first area. We see no signs that there will be a fundamental change in this approach.

2. What is another complaint of the West? I'm going to categorize this as the 'rapeseed case.' The Member for Morse (Mr. Wiebe) is involved in agricultural matters and I think everyone in Saskatchewan will have heard of the 'rapeseed case.' This started three, or four or five years ago, because it has been a long standing condition. Generally speaking westerners want to know why it is or why it has been so that it is cheaper to ship a box of raw rapeseed out of Saskatchewan to have processed in eastern Canada and bring back the finished product to this province than it is to process the product here and ship it out in a finished capacity to central and eastern Canada.

Mr. Steuart: — The Crow's Nest rates are part of it.

Mr. Romanow: — The Crow's Nest rates, well, I'll come to that in a moment. Yes, you're right, the Crow's Nest rates are partly

ted into this.

Let me just make this point — the rapeseed operators of Saskatchewan and western Canada have been fighting now before the Canadian Transport Commission for nearly four years to try to change this particular inequity that I have described. We raised this at WEOC, and the rapeseed case was a specific matter drawn to the attention of the Prime Minister of Canada. The Canadian Transport Commission made a ruling about a year and a half ago which gave partial satisfaction. We went back to the CTC. No change from the first decision only giving partial satisfaction. So we took it to the Federal Government; because the Cabinet has the power under existing legislation to overrule the CTC; because at Calgary it was the stated concern of the Minister of Justice, Mr. Lang, and the Prime Minister, that this appeared to be a very unjust situation for western Canada and for our rapeseed operators. I want to remind the House that on July 24, 1973, at Calgary, Mr. Long said, and I have his exact words, that the Federal Government . . .

saw the inequity of freight rates and realized that as a matter of public policy it was not desirable.

And then he said that there was a possibility under Section 54 of the NTA that he, as Minister of Justice, could or would intervene in the public interest on behalf of the West in this case.

Some Hon. Members: Hear, hear!

Mr. Romanow: — It doesn't so much relate to the question of whether the rapeseed case is important, but the rapeseed case again raises all our questions about the NTA and the CTC. How in the world can it be justified to any of us that an appeal procedure against a freight rate (which is set arbitrarily without reference to anyone by a railway company) takes four years and hundreds of thousands of dollars to appeal? How can we believe that that is an equitable situation, one which is designed to give fairness of opportunity to all? It obviously doesn't. It's unfair, and we have repeatedly said that there must be some changes, but we have witnessed no real progress since WEOC.

3. What about the, third issue, Mr. Speaker, that the West has been complaining about, the business of cost disclosure by the railways. Part of the reason why Mr. Marchand says he doesn't know whom this will affect, the 22 per cent increase of rates on January 1, is because we don't have the cost data. Railways with respect to their cost data work in secrecy of a kind that I've never run across in any activity. And I went to tell this House that the NTA has no legislative means, no effective legislative means, of forcing cost disclosure from the railways. Now we brought this out to the Prime Minister in Calgary in 1973, and the Government said, okay, what we are going to do is, without amending the legislation, I, as Prime Minister and the Government of Canada, am going to ask the railway companies to provide that information to the provinces on a private and confidential basis. The Leader of the Opposition will remember that because he was there. And so we have set up innumerable committees and they have held interminable meetings and we received volumes of paper, and we have received thousands of words of apology and explanation, but nothing with respect to the disclosure of cost data from the CTC that's meaningful.

In a word, Mr. Speaker, frustration on cost disclosure. The CTC is unwilling or unable or incapable of providing information about the costs from the railways back to people of the country. No, Mr. Speaker, and Mr. Leader of the Opposition, what I am saying is that we, as the elected representatives of this country, cannot or at least for nearly two years, have been unable (despite the request of the Prime Minister) to get this cost information data from the railways. What kind of a commentary is that on our system?

An Hon. Member: — Who's wagging the dog?

Mr. Romanow: — My colleague says, "Who's wagging the dog?" That's a good question indeed. Officials have said that these numerous meetings under the existing terms of reference are nothing but futile, Mr. Speaker.

Now I want also to say that one of the consequences has been that the Minister of Transport says there will be an amendment to the Railway Act, which will allow this cost disclosure by way of statute. He is committed to that and I congratulate him for that commitment, but we have not seen that amendment to the Railway Act yet and in nearly 18 months, since WEOC. This very vital issue of cost disclosure by the railways still remains as secret as it was prior to July, 1973 in Calgary. That's the third major bone of contention to the West. What is another area which is important? It is alleged by the Federal Government that some progress has been made justifying the freight rate release, to which I say little or no progress has been made.

4. The fourth area of studies, one of the things that resulted from the Calgary Conference, were committees - ministerial committees and working committees, CORE committees. I suppose that's almost a national pastime now every time a federal-provincial conference takes place. The result is another several hundred employees on staff. One of the other consequences was the commissioning by the five governments, the Federal and the four Provincial, of major studies in these areas - railway pricing; the question of assumption by the Federal Government of roadbeds, and thirdly the question of joint running rights.

Mr. Speaker, the officials and the Ministers have received a report on one of those studies and it has yet to be considered by the Ministers and the officials. We don't know when the other two reports are going to come down, reports which are as vital as joint running rights and roadbed control and pricing. The major studies, which hopefully are to rectify these inequities and anomalies that I have talked about are nowhere near completion, and yet, we are told the freight rate freeze can come off because progress has been made.

5. A fifth complaint - so-called 22 rate anomalies. The Leader of the Opposition will know of this directly because at Calgary the provinces identified specific rate anomalies, contradictions - long hauls, short hauls. You know you have heard all these stories about how you could put a product on in Toronto by train and ship it on the same train straight through to Vancouver and it's cheaper to get the product to Vancouver than it is to get it to Saskatoon or Regina, although the train has to pass through that community on its way to Vancouver. How does that happen? Rate anomalies. This was a specific

matter raised at Calgary. It has been studied by the CTC. The CTC study was even rejected by Ottawa, but not one piece of action yet on rectification of those 22 rate anomalies.

6. A sixth point, the business of rail line abandonment. I am not going to make a speech about rail line abandonment. What we did get out of Calgary was a commitment by the Prime Minister that the rail line abandonment scheme would remain protected until January 1, 1975. That was a similar commitment to the one they made on the rail rate freeze. And that has been it! Whenever we raise this matter with the federal authorities, their answer to us is, "Well, we have to take the responsibility as to whether or not the rail line abandonment freeze is lifted, after all we are the Government of Canada."

I know that Mr. Trudeau and Mr. Lang and Mr. Marchand are the Government of Canada, but I think that it is not unfair of the Government of Saskatchewan or Alberta to say that we would like to know what your plans are. After all, January 1st is very close upon us. I don't think it is unfair for us to say that this question of government intentions about rail line abandonment - and I want to tell the House that when we are talking about rail line abandonment we are not talking about a few hundred miles, we are talking about thousands of miles in Saskatchewan alone - it is not unfair for me to say that this is something into which a government, regardless of its political stripe provincially, should have some input.

Not only have we not heard anything further but everything that we have heard, through the Press, has given us storm warnings. The Minister of Justice goes to Edmonton and speaks to the Canada Grains Council. He talks about the Crow's Nest rates which are directly tied to this question of rail line abandonment and he says something to the effect that the Crow's Nest rates might have to go because we are now in the process of writing a new national transportation policy; he says we - being the Federal Government.

Well, if that is the case, I have attended every one of those ministerial meetings and the officials have attended every one of them and we do not yet know that the Crow's Nest rates are part of a national new transportation policy.

Mr. Speaker, I have identified at least six areas, six major areas where western complaints or worries are basic. Yes, some progress has been made and lots of good will has been generated. These are six areas where the complaints of the West are long-standing. Long before I got here they were being made. The complaints are still unanswered.

That is the record of progress to date upon which the Federal Minister of Transport presumes to justify the ending of the freight rate freeze. Sometimes I must frankly say that as Canadians we all have very little to show for our efforts and if the taxpayers took a look at that, I wonder what judgment they would pass.

I want to tell this House, also, that I was personally enthusiastic about Mr. Marchand's involvement as Minister of Transport in his early meetings and his early responses. His statements that transportation was in a mess; his statements that the CPR, as he said in the House of Commons, basically ignored him, the Minister of Transport of the entire country;

his statement that he had to rewrite the NTA: all of these gave the West hope. I want to tell the House that I don't think anybody can dispute this, that every one of us as Ministers, even though we are of different political parties, have given Mr. Marchand as much co-operation as we can and as we could have.

Telling the people of Saskatchewan and of Canada that transportation is in a mess, over and over again, I can only go back to my constituency so often before they start asking me, but what are you going to do about it? We know that it is in a mess. We have been saying this for 40 years. It is not enough. It is time for action to rectify these problems for western Canada. And what is more important in the short run is that the momentum of WEOC in transportation is in danger of being lost. We have almost come to a stop - not quite, it is like a railway stop, there are still a couple of cars jerking and a few of the other machinery items are still working, but it is almost a stop, especially in the light of the lifting of the railway freeze.

I say this and again Members opposite can say it is political and undoubtedly they will. They have been known on occasion to accuse us of being political and on occasion we have been political, not lately, but on occasions we are provoked. But I want to say this, Mr. Speaker, to the Members of the House that I and my colleagues see a growing lack of consultation with the provinces creeping in. I say this as sincerely as I sit here, ever since the election in July 1974, and I don't particularly attribute that to Mr. Marchand and the Prime Minister at this stage. I think the bureaucracy federally at Ottawa is comfortable and we see this slowing down the momentum and increasing the lack of consultation.

The rail freight rate freeze, the branch line abandonment problem, the Crow's Nest statements are all being made without reference to this committee which was set up in Calgary presumably to institute this new policy, this new approach to western Canadian problems.

I have here a copy of a telex which was sent by the Hon. F.H. Peacock, Alberta's Industry Minister, to the Hon. Jean Marchand. Mr. Peacock has given me permission to read this to the House, and my reason for doing so is that Alberta basically carried the ball on transportation matters raised at WEOC. I quote:

Your telex, 20th, rate freeze.

No progress has been made on anomalies identified at WEOC and I believe you cannot ignore western Premiers' recommendation that significant progress must be made before lifting freeze. Do not agree changes in rate levels do not effect regional economic growth. It appears you are drawing incorrect conclusion from incomplete impact study before federal-provincial approval of contact. We must protect the industry and consumer from an abrupt price inflation related to transportation. Prime Minister Trudeau identified that any large change in transport pricing must be phased in. You must identify specifics. You must not allow a horizontal increase which inevitably bears heaviest on our long haul traffic. Further, we now understand you have decided

only to monitor railway changes, rather than plan a phase in.

Cannot agree that this is satisfactory and may find it necessary to initiate action to deal with this.

And then there is another section which I could read but I would be taking up the time of the House. The only point that I want to make about this other section is that Mr. Peacock says:

I am deeply concerned that newspapers are able to state you have been conferring with railways re details when there has been no effective consultation with western governments. This does not reflect spirit of co-operation which we have been discussing in transportation.

Mr. Speaker, that is the situation we are in. A general increase ranging from 25 per cent to 30 per cent on the so-called frozen traffic come January 1, increases in excess of 50 per cent on traffic which was not frozen - and here again, I refer specifically to steel rates from Regina to Edmonton and the West Coast and the rates for raw materials moving into Regina for our steel plant which are increasing anomalies and a burden on western shippers and western producers.

Let me just give you a quote on the steel rate. Rates on alloy from eastern Canada to Regina were not frozen and they have increased, Mr. Leader of the Opposition, 15 per cent during the period of the so-called rail freeze. Fire brick rates on the other hand were frozen, they are to be increased by 30 per cent come January 1, 1975, in spite of the subsidy paid to the railways during the period of the freeze. There will be no increase on alloy on January 1, 1975. One of the consequences may therefore be it would be cheaper to ship bricks from eastern Canada through the United States by rail to Regina rather than by an all Canadian route and problems like that continue to compound.

The Federal Government states that we should not tamper with the national freight rate structure as it is presently set up, but that we should seek piecemeal solutions to western freight problems. I simply want to state, emphatically, that the large increase in freight rates in the past two years and increases forthcoming on January 1, 1975 will serve only to multiply all of the western Canadian grievances that I have enumerated in my speech here this afternoon.

Perennial solutions have always followed this pattern with the railways. A shipper says that he requires a downward adjustment in his rates. Railways say let's see your books, your contracts, your selling price and then we will consider your situation for you. I think the attitude of the Federal Government, because they have allowed the NTA to go this way, in accordance with the Act, their attitude is, is your industry being hurt? If the smoke is still coming out of the stack and you can still get a bank loan and maintain production, then I guess you are a going concern and it is a healthy situation.

What they fail to realize, or perhaps, realizing, fail to care about, is that when traffic is tied to rail the railways have shown that they will squeeze every cent that they can out of what the traffic will bear. I am concerned about attitudes

of people like the former Minister of Transport, the former head of the CTC, the Hon. Jack Pickersgill. In an attitude expressed in the November 28th Ottawa Citizen, Mr. Pickersgill says that rates should be allowed as much freedom as possible to adjust to market conditions. He states that where there is competition the railways will meet the competition. It just stands to reason, Mr. Speaker, that where there is no competition, as in the West, the railways will of necessity charge as much as they can so that the total cost of the railways in both competitive and non-competitive areas can be recovered.

The result for western Canada is that we find that in shipping sodium sulphate, from our plants to Eastern Canada, the freight rate cost is in excess of the selling price of the product per ton. In fact it ranges from 70 per cent to 114 per cent of the price in Saskatchewan. In short, this spells difficulty for our industrial expansion hopes in the West; difficulties for industries to expand; to develop new markets; to improve technology. This comes second, apparently, to the railway grab.

Western Canada, under this type of transport policy, is doomed, Mr. Speaker, to remain a colony of central and eastern Canada, to be used and abused by the railways, in supporting their operations in competitive areas where the competition has driven their freight rate charges down. The end of the freight rate freeze, January 1, marks the complete reversion to the pre-WEOC Calgary days on transportation.

We have not given up totally. We hope that Mr. Marchand is listening and is concerned about our matters. Quite frankly, the present situation is serious indeed.

Now before I take my seat, Mr. Speaker, someone opposite is likely to get up and say, oh, yes you talk about all your freight rate increases and what have you done here in Saskatchewan? Why have you allowed the truckers to increase their rates. Yes, we have allowed the trucking rates to increase. I want to tell the Member for Moose Jaw North (Mr. MacDonald) who is always sitting down . . .

Mr. Steuart: — Oh, no, he was up last night and you . . .

Mr. Romanow: — Yes, I guess he did stand up last night. I want to tell him and the Member for Morse (Mr. Wiebe) that yes, the Highway Traffic Board has allowed these trucking rate increases and I want to tell you that as far as the Saskatchewan truckers concerned, Saskatchewan truckers who were squeezed by the Highway Traffic Board under the former administration, these increases are necessary. But apart from that, I am not going justify whether or not the increases are necessary or not. I ask the Members opposite to keep these points in mind when they get up and raise that issue:

1. At least the truckers of Saskatchewan must justify rate increases to the Highway Traffic Board; that is something more than the railways will ever have to do. At least the truckers have to come to Highway Traffic Board and show to the public that the rate increases are justified and they are Saskatchewan people providing Saskatchewan jobs, not like the railway companies. The CPR and the CNR, who without reference, and the

CTC without reference, the Prime Minister without reference, the Senate of Canada or anybody else, increases their rates.

Mr. Malone: — Why should they go to the Senate of Canada?

Mr. Romanow: — I am sorry, you are right. The Member for Lakeview asks why should they go to the Senate of Canada, and I can't give you an answer. So I withdraw that.

2. Before you raise the Saskatchewan truckers point, rebut if you will my argument that the railways from 1970 to 1973 have had these fantastic increases. Compare them to the truckers of Saskatchewan.

3. When you raise the rate increases in trucking for Saskatchewan answer me please, if you will, what the justification is for the removal of these freezes if WEOC was supposed to freeze the situation in order to allow us to rectify these inequities.

Those three answers, those three questions, place the Saskatchewan situation on an entirely different footing.

Mr. Speaker, I support these increases in Saskatchewan, indeed.

I want to close by summarizing the results of this unilateral lifting of the freeze.

1. I have already made the point, perhaps belaboured too much, that the spirit and the hope behind WEOC is placed seriously in jeopardy. That is one impact of this unilateral life of the freeze.

I want to tell the House and the people of Saskatchewan that this Government will continue to co-operate as best as we can with the federal authorities, but I think we need a new mandate if WEOC is going to continue and is not simply going to vanish into one of the many annals of political promises that have been advanced by politicians.

2. The second consequence of the lifting of the freeze is that it will increase the inflationary forces on our economy. Make no mistake about that. And this is an inflationary force of national consequences, not like someone says, Oh, but look at the inflationary force about your truckers in Saskatchewan again. This is an inflationary impact with a clout.

3. Thirdly, if there are inequities and anomalies in Western Canadian freight rates as I say there are and as the Leader of the Opposition says, then these increases will only heighten those anomalies by tacking on 30 per cent on something which is inequitable. I say it is inequitable particularly in the region where there is no competition.

4. This increase will subject Saskatchewan shippers to massive rate increases, perhaps even up as high as 37.5 per cent for IPSCO to Vancouver, therefore, on the consumers.

5. And finally, Mr. Speaker, these increases will show a capitulation to the railway position that the present transport

policy us outlined in the National Transportation Act of 1967 is sound and reasonable and that it requires somehow no fundamental changes.

Mr. Speaker, I reject that notion right out of band. Therefore, I believe that it is incumbent upon all Members of this House to join in common voice about this very important problem.

Mr. Speaker, it gives me great pleasure to move this Resolution.

Some Hon. Members: Hear, hear!

Mr. J. Wiebe (Morse): — Mr. Speaker, in making some brief comments on the remarks made first by the Attorney General and then . . .

Mr. Messer: — Mr. Sneaker, on a Point of Order, is it not customary to allow the seconder of the resolution to speak to the motion once it has been moved by the mover?

Mr. Speaker: — Usually it is the custom that the seconder speaks, but if the seconder doesn't rise and someone else starts to speak it doesn't mean that . . .

Mr. Messer: — On that Point of Order then, Mr. Speaker, I simply want to say that I think it is customary to wait until the Speaker takes his seat before a Member stands to participate in the debate. The Member was certainly well on his feet before you took your seat. I am just bringing that to your attention.

Mr. Wiebe: — Mr. Speaker, here again the comments made by the Minister of Agriculture go hand in hand with the comments made by the Attorney General. Their concern for this Resolution is not for the people of this province or western Canada, their concern is strictly for politics.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — They were prepared, Mr. Speaker, the Minister of Agriculture was prepared to talk for the next hour and one half and not allow the Opposition to speak on this subject. That is the reason why their feelings were hurt because we get up. Politics was the entire reason for the full speech of the Attorney General.

Let's just deal for a few moments with the speech that the Attorney General made and then I wish to turn to the Resolution. At the outset, Mr. Speaker, let me say that we in the Opposition are not that happy that there has not been more action by the Federal Government.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — But I say as well, Mr. Speaker, that the Attorney General, the Minister of Agriculture and his Government

must take as much blame for this inaction as the Federal Government. In his speech the Attorney General has dealt with half-truths and innuendoes. First of all he says he estimated the subsidy was around \$150 million. And he full well knows that the estimate that was presented to him at the Ministers Conference was \$112 million and the actual cost was \$106 million. And you come into this House and say \$150 million. As well, Mr. Speaker, the Attorney General stood up in this House and said that WEOC has done nothing for Saskatchewan, it has done nothing for western Canada. There might be one small little area where there might have been a slight bit of benefit to Saskatchewan, but the entire overall picture of WEOC has been a drastic flop in terms of Saskatchewan. All right, let's look at that flop. Let's look at DREE.

What has happened to Saskatchewan? The only industrial development this province has received since 1971 has been a direct result of DREE and not of the Government Members sitting opposite.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — Let's look at the Department of Highways. This Provincial Government has refused to increase the amount of to be spent on the highways in this province. The Federal Government has just allocated over \$20 million that is going be spent in Saskatchewan on construction of major highways in this province.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — Let's look as well at the Grain Stabilization Bill. This came out of WEOC. Let's look at the freeze itself and as I said earlier this saved the people of western Canada over \$100 million. Let's look at the steel complex. Here again WEOC, millions of dollars worth of benefits to Saskatchewan. Look as well at the feed grains policy accepted by everyone in this province but the NDP. Over 70 per cent of the people of this province voted in favour of that policy in the last election.

The Attorney General also said that the Federal Government has kept his Department and his Government and the people of Canada in the dark. They have asked repeatedly that they pass legislation to allow the cost data for our railroads to be made public and made open to everyone. He also said give me one more example where any government in Canada would refuse this type of information. Mr. Speaker, I will not give one example, I will list three of them. I will list four of them, pardon me.

First of all, let's look at Intercontinental. Where is there a government in Canada that refused to make information public as to rates and to profits. Intercontinental is one. Who has control over that release? Government Members sitting opposite.

Let's look at SEDCO. Why isn't information being made available there?

Let's look at Dr. Clarkson's Report on the Valley View Centre. Should this not be made available?

I think the most drastic refusal of not making information available, Mr. Attorney General, is the R.L. Banks Report. I ask you what position is that R.L. Banks Report in today. This is a study, Mr. Speaker, that was jointly commissioned by the Federal and Provincial Governments. And it was a major study and a costly study, a study, Mr. Attorney General, which is now completed. A study which you now have and a study which you have refused to make public. I ask, Mr. Attorney General, why have you refused to make this study public? Don't you agree that all facts relating to rail freight rates should be made public? Or is it something, Mr. Attorney General that embarrasses your Government? Or could it be, Mr. Attorney General that that report shows the studies which Saskatchewan has taken and made are not viable.

Again, Mr. Speaker, in terms of throwing cost data open, making that information available. I say on behalf of the Saskatchewan Liberal Party that we on this side of the House believe that the books of the CNR and the CPR should be thrown open and made available to all the people of this province.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — I will go on as well, Mr. Speaker, to say that on behalf of the Saskatchewan Liberal Party we have placed our position before Ottawa and that position is that we have asked the Prime Minister of this country to initiate a Royal Commission to investigate both the CNR and the CPR. And you can rest assured, Mr. Speaker, that that recommendation will be taken into serious consideration and I am quite confident that you will see a Royal Commission established to investigate the CPR and the CNR.

The Attorney General talked about IPSCO and the fantastic cost of freight. I think I have it on good authority, and it is my understanding that IPSCO has reached an agreement with the CNR and CPR with regard to freight. While they will not publicly admit that they are happy with those rates, you talk to them privately and they are extremely happy with the arrangements that have been made in terms of that freight rate.

Mr. Speaker, I should like to turn for a few moments to the Resolution itself. The Resolution states that there was a recent decision by the Federal Government to abandon the freeze on rail freight rates. First of all, Mr. Speaker, I take strong exception to the wording of this Resolution, for a number of reasons.

The Attorney General fully realizes that the decision to freeze rail freight rates was made at the Western Economic Opportunities Conference in Calgary and at that time the decision was made and agreed to by all parties that that freeze would apply to the end of 1974. So, Mr. Speaker, this is not a recent decision.

The Attorney General also realizes that the Government of Canada has no legislative power whatsoever to freeze freight rates in this country. The Federal Minister of Transport had requested a voluntary moratorium on freight rate increases. This request has been honoured by the railways. Mainly because the Crown-owned Canadian National Railways had agreed not to increase rates, other railways had to go along with that

decision in order to be competitive. This freeze, Mr. Speaker, is an agreement - a voluntary agreement between Ottawa and the railways. I now ask the Attorney General what has he and his Government done to urge the railway companies to continue this freeze? I suggest, Mr. Speaker, that he has done nothing.

What representation has he made to the railways and to Ottawa? And if he has made any representation I now call on the Attorney General to table that correspondence and let us know just exactly what action he and his Government have taken to urge the railway companies and Ottawa to continue the freeze. And again, I say, please table that information.

I remind the Attorney General, what was the reason for this freeze? The WEOC commitment to freeze rail freight rates was made to the end of 1974 to allow time for completion of studies being undertaken by a Federal-Provincial Committee of officials. What has happened since WEOC?

I say, as I said earlier, that the Attorney General and the Government of Saskatchewan have been playing politics as was demonstrated in this House today by the Minister of Agriculture. I say that they have dragged their feet and have said let Ottawa call the shot. Let Ottawa make the decision. I say that the Attorney General has played a game of interference and of neglect.

What proposals, Mr. Attorney General, do you have in this regard? I must say again that your speech was void of any concrete suggestions. What have you and your Government done to contribute to these studies? Let's just take a look at them. There was the Federal-Provincial Committee on western transportation, it discussed the rate freeze at several of the meetings held this past summer.

Let's look at the meetings. First of all, March 14, a meeting in Vancouver by senior western and federal officials; June 6, in Winnipeg; August 14, Saskatoon; September 18, Vancouver; November 27, in Edmonton. These were with senior western and federal officials. And yet the Attorney General stood up and said he feels that there is a growing lack of consultation with Saskatchewan. Let's look as well on March 13, when western transportation ministers met with Mr. Marchand; October 20 and 21, the western transportation ministers met with Mr. Marchand. Let's see what happened at these meetings. The provincial members, Mr. Speaker, devoted all of this time at the meetings which I have listed to try to determine what movements were and what railway rates were and were not frozen and how much the freeze would affect western Canada.

The western members were given an explanation of what movements or what rates were frozen. A selective list of commodities frozen and unfrozen, a copy of tariff 1003 and its numerous supplementary tariffs, basically it is tariff 1003, Mr. Speaker, the western provincial members were given an indication of how much of the 1973 subsidy of \$41 million paid to the railways represents western tariffs and the Attorney General fully realizes that amount was \$16 million and he was given that figure.

Again, I say, at the previous meetings of the official and the Attorney General and other members of the province, the western members concentrated on the freeze and its effects

and not on how that freeze should be lifted or when it should be lifted or what the solutions would be to the problems that face us today. Again, Mr. Speaker, they were not concerned about solving any problems, they were not concerned about taking any concrete action.

The Resolution goes on to say that the removal of this freeze on rail freight rates means sharply increased freight rates for Saskatchewan shippers.

I have always found, Mr. Speaker, that this NDP Government's actions speak louder and mean more than their words. And because of their actions, Mr. Speaker, I can say without any fear of contradiction that the Attorney General and his NDP Government are in favour of sharply increased freight rates for Saskatchewan shippers. This Resolution, Mr. Speaker, is a mockery and a smoke screen for their own actions.

This year alone as the Attorney General mentioned earlier this Government has sharply increased the freight rates for shipping goods by bus within the Province of Saskatchewan - increases by their own Saskatchewan Transportation Company. A company which was making money, a company which was making a profit. Mr. Attorney General to whom does that company have to justify their rate increases?

Some Hon. Members: Hear, hear!

Mr. Wiebe: — That's why I say that actions speak louder than words. If the Attorney General had his way there would be fantastic rate increases in the province.

I say again, Mr. Speaker, that the Attorney General and his Government by means of this Resolution are trying to set up a smoke screen to hide their actions, to hide their real intentions, to hide their failures, to hide their inadequacies and shift the blame to Ottawa. Mr. Speaker, the people of Saskatchewan are starting to see through this smoke screen.

I wonder, Mr. Speaker, why at this time the Attorney General is concerned only about the rail freight freeze in Saskatchewan? We in Saskatchewan have another major freeze which will be lifted on January 1st and that is the freeze on our rail lines. The Attorney General did allude to it briefly in his remarks.

But what about rail line abandonment? In my mind, Mr. Attorney General, this item is just as important, if not more important than rail freight rates. I feel as well that these two issues go hand in hand and cannot be discussed nor solved individually. I ask why does this Government shy away from rail line abandonment?

I can only take from the lack of any mention in this Resolution about rail line abandonment that you and your Government are in favour of wholesale abandonment in this province. Again, Mr. Speaker, actions speak louder than words. The only rail lines that ever were abandoned in Saskatchewan were done under an NDP Government.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — You were in favour of abandonment at that time and all I can say is that, thank heavens, there was a Liberal government elected in this province in 1964, which together with the Liberal Government in Ottawa called a halt to rail line abandonment in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — I ask the Attorney General what is your position on rail line abandonment? What recommendations do you and your Government have? What recommendations do you have to make? You have set up a government department to look into rail line abandonment and rail freight rates. You have spent thousands of dollars. You have attended dozens of conferences at taxpayers' expense. I ask what do you and your Government recommend? So far, Mr. Speaker, zero. If you have any ideas, if you have any solutions, if you have any recommendations, I now ask that you show the people of Saskatchewan the fruits of your labours, the justification of your Government department. The justification as well of the thousands of tax dollars that have been spent. I now ask, Mr. Attorney General as well to lay those recommendations on the table if you have any.

I say, Mr. Speaker, that because of the lack of action by the Attorney General and his Government that this Government has sat on its hands, that it doesn't have any recommendations to present to Ottawa and that it is not capable nor is it able to solve the problem and come up with any concrete suggestions or any meaningful solutions.

You may say, Mr. Deputy Speaker, what solutions do I have? First of all let me say that I do not have the advantage of a government department with a huge research staff and thousand of dollars at my disposal, but I have taken the time to study to investigate and to look into possible recommendations that we together could be making.

So far we have seen no demonstration of any input whatsoever by the Attorney General or by any of the Government Members opposite. It has been strictly a smoke screen, they are to hide again as I say, their iniquities.

First of all let's look at the rail lines we have in Saskatchewan, a total of 8,601 miles of rail lines. You can divide these rail lines into three groups. First of all you've got the main and permanent networks, you've got that middle or gray area and then you've got the non-operative rail lines. Let's look at it. Group A, the main and the permanent network approximately 4,990 miles, the CPR has got 2,800, the CNR has got 2,190. Group B, the middle or gray area, 3,453 miles in total, Canadian Pacific has 1,273, the CN has 2,180.

Mr. Cody: — Great statistics.

Mr. Wiebe: — Okay, great statistics and that is an indication of just exactly what value you people place on rail line abandonment in this province. You can never say anything seriously, you can never take anything serious, again you are not living up to your responsibility to the people of this province.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — Let's look at group C, the non-operative, 158 miles, 58 owned by Canadian Pacific and 100 by CN. What recommendations would I like to see in terms of rail line abandonment in this province?

First of all, let's look at group A, that's your main and permanent network, your major high traffic rail lines that carry the majority of the goods in Saskatchewan. This is comprised of 4,990 miles. I say, Mr. Deputy Speaker, extend the freeze on this group, permanently, forever. No rail line abandonment whatsoever . . .

Some Hon. Members: Hear, hear!

Mr. Wiebe: — . . . on our main and permanent network, 4,990 miles in this province.

Let's look at group B, the middle or the grey areas. These are the rail lines that are on the border line. They are essential to some areas in rural Saskatchewan, in other areas of rural Saskatchewan another look again can be taken. This accounts for 3,453 miles and I say what recommendations do I have in terms of these lines? First of all, I say that the freeze on this group be extended, but it not be permanent. Before any rail line can be abandoned in this group of 3,453 miles that full regional and public hearings be held in each and every district that's affected by these lines and the only time a line in that group can be abandoned is when the people that district have an opportunity to voice their opinion on it.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — Let's look as well at group C, a total of 158 miles and this is a small group, this is a group where a train has not travelled on for the last five years, this is a group that I think everyone agrees must be abandoned and I am sure that we can safely say that if the 158 miles were abandoned after January 1st, it would not affect a single farmer nor any individual in the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — These, Mr. Attorney General, are the recommendations which I put forward. I should like to see what recommendations you have in terms of rail line abandonment.

Again, Mr. Speaker, speaking about the Resolution which we have before us. As I said, I feel it is worded very badly and does not come to grips with the transportation question here in Saskatchewan.

For this reason, Mr. Speaker, at the conclusion of my remarks I intend to move an amendment and will ask for the full support of this Assembly in that amendment.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — First of all, let me ask the Members of this Assembly where does our responsibility as legislators lie in regard to a question as vital as rail freight rates, rail line abandonment and the effect that this entire question can have on our rural way of life, its effect on our economy and the future of the many towns and farms in this province?

Our responsibility, Mr. Deputy Speaker is to find answers. Our responsibility is to find solutions. Our responsibility in an issue as vital as this one is to work together to find a solution that will be beneficial to this province and to the people of this province. We must come with a recommendation for Ottawa that will benefit all of Saskatchewan, not a recommendation that will benefit the Liberals or the Conservatives or the NDP.

Time is running short, Mr. Deputy Speaker, vital decisions are going to have to be made. Now is the time for us to make every effort to take this issue out of the narrow range of petty party politics.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — Now is the time to get away from the material interests of the railways and the elevator companies. Now is the time as I said, to set these petty issues aside, to work together to devise, investigate and present our combined position to Ottawa. A position, Mr. Deputy Speaker, that will benefit this great province and its people. I feel that we as a province have too much at stake to sit idly by and do nothing. I do not feel that we as legislators have the right to say to our constituents that we cannot work together on an issue as vital as this one. We cannot say to the people of Saskatchewan that we do not have any concrete proposals for their benefit and that we are going to fight among ourselves and depend again on Ottawa to solve this vital transportation policy for us.

There is no doubt in my mind and in the minds of all Members of this Assembly and I believe, in the minds of the people of Saskatchewan that changes in our rail freight rates and our rail lines are necessary and are going to have to be made. It is up to us as legislators in this Assembly to work together so that these changes in rail freight rates, rail lines and the entire transportation system will work for the benefit of all people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Wiebe: — I feel as well, Mr. Speaker that we are all reasonable people. I feel that each and every one of us has the best interests of the people of Saskatchewan at heart, and that together we can come up with a recommendation to Ottawa that we can all support and one that will be beyond a shadow of a doubt beneficial to all people of this great province.

With that in mind, Mr. Speaker, it gives me great pleasure to move this amendment, seconded by Mr. MacLeod. Mr. Speaker, I'm just wondering before I move the amendment, if I might allowed to read the amendment, ask for further time to study the Attorney General's remarks and adjourn debate?

Some Hon. Members: Hear, hear!

Mr. Wiebe: — All right I will move, seconded by Mr. MacLeod, that all the words after the word 'Assembly' be deleted and the following substituted therefore:

that we set aside narrow political partisanship and work together to provide the Federal Government with concrete recommendations for the formulation of a just transportation policy, beneficial to the people of Saskatchewan, and further, that the Assembly recommends to the consideration of the Government of Saskatchewan that a Legislative Committee be established, comprised of Government and Opposition Members for the purpose of advising this Assembly as to which policies on transportation, including such areas as rail freight rates and grain handling should be supported by Members for adoption into a new National Policy on Transportation.

Some Hon. Members: Hear, hear!

The debate continues on the motion and the amendment.

Hon. J.R. Messer (Minister of Agriculture): — This motion that was moved by the Attorney General and seconded by myself, I think is probably one of the most important matters that this Legislature will be dealing with the forthcoming months. Perhaps important isn't the word, perhaps crucial would be a better word. Crucial, not only to the Government of Saskatchewan and the people of Saskatchewan, but to western Canada in regard to being able to develop economic and social stability for our peoples.

Mr. Speaker, the Member for Morse (Mr. Wiebe) has moved an amendment and during his remarks pertaining to the motion moved by the Attorney General and the amendment which he ultimately introduced, he made some comments in regard to politics. Mr. Speaker, let me tell you and let the records of this Legislative Assembly show that if anyone has played cheap politics it has been the Liberals opposite and the Member for Morse.

Some Hon. Members: Hear, hear!

Mr. Messer: — Mr. Speaker, he tried to insinuate, when I rose to second the motion by the Attorney General that we were going adjourn this debate and thereby take away their opportunity to debate this most important matter. But, Mr. Speaker, what he tried to do when he brings forward the amendment, asks whether he can get some sort of special consideration, special kind of Liberal consideration which may be given to him under other circumstances but not under the circumstances of this House to take away our opportunity to take part in this most important concern.

Some Hon. Members: Hear, hear!

Mr. Messer: — He has the unmitigated gall and audacity to say let's set aside our narrow political partisanship. Then he tries

to do what he did in moving the amendment, Mr. Speaker. Cheap, partisan politics.

Now, Mr. Speaker, there were some comments made in regard to the Western Economic Opportunities Conference. The Member tried to say that we here, in Saskatchewan, the Government of Saskatchewan, have criticized and attacked openly the Federal Government for achieving nothing from the Western Economic Opportunities Conference. That's not true. I listened to the whole speech made by the Attorney General and he certainly did not say or insinuate that we have received nothing from the Federal Government in regard to WEOC. Certainly we are disappointed, Mr. Speaker, in regard to what we have achieved, we are disappointed that we haven't been able to come forward with more positive resolutions towards reaching those objectives that we talked about. Certainly, Mr. Speaker, we are concerned and most upset and disappointed that we haven't been able to achieve the federal-provincial relationship that we instigated at the Western Economic Opportunities Conference.

Some Hon. Members: Hear, hear!

Mr. Messer: — Now, Mr. Speaker, to reply . . .

Mr. Wiebe: — You instigated.

Mr. Messer: — Yes, we instigated, only because the Federal Government was sitting in a minority situation and needed something, needed something to try and get some support from western Canadians. You bet your life we instigated the Western Economic Opportunities Conference.

Now, Mr. Speaker, the Member made some statements that I want to comment on. He talked about subsidy, as the Attorney General said in his remarks, \$100 to \$150 million subsidy may be passed on to the people of Saskatchewan. The Member for Morse says that we are trying to blow it up to something beyond what it really is. In fact it's only \$112 million and it's \$38 million short of the \$150 million which the ceiling may be Well, let me tell him that the people of Saskatchewan certainly will not appreciate his position in saying they can afford to pay that \$112 million . . .

Some Hon. Members: Hear, hear!

Mr. Messer: — . . . and that it should be passed on by those railway companies to farmers and to industries who are trying to survive or become established in this province.

Now, Mr. Speaker, when I say that we have given some attribution to the Federal Government in regard to what has emanated from the Western Economic Opportunities Conference, so far they haven't really been significant. We've got a few carrots and a few tidbits here and there and I think delays in regard to trying to get to the subject matter of our concerns and I say, Mr. Speaker, the only reason we've got those carrots or tidbits is because the Federal Government was embarrassed and had to recognize western Canada and had to provide at least some minimal offering from the Federal Treasury.

Now, Mr. Speaker, and I'm sorry that the Member for Morse is leaving, sorry that the Member for Morse is leaving because — yes to get his instructions - I'd like to get what he said earlier straightened out. But anyway, Mr. Speaker, we'll put it on the record. He made mention of DREE (Department of Regional Economic Expansion) and that we should be ashamed. We should be ashamed in Saskatchewan for criticizing the Federal Government or for criticizing the activities of DREE. Now, Mr. Speaker, we've had debates in this house before in regard to what kind of recognition the Province of Saskatchewan has gotten from DREE. It has only been recently that we have got some monies from DREE, only been recently and only because of continued pressure from the Provincial Government towards DREE and the Federal Government that they should be recognizing their obligations in trying to establish industry in western Canada, not only in central Canada.

Now, Mr. Speaker, the Member for Morse also mentioned the Grain Stabilization Bill and that for some reason the Western Economic Opportunities Conference had something to do with that. Well, Mr. Speaker, let me remind the Members to your left that that Grain Stabilization Bill that was just introduced by the Minister responsible for the Canadian Wheat Board and also Minister of Justice, would have been legislation two years ago but would not have provided any kind of stabilization for farmers in western Canada whatsoever.

Some Hon. Members: Hear, hear!

Mr. Messer: — And it was only because of the opposition, the legitimate opposition and the legitimate criticism, and the recommendations that were advanced by not only the Province of Saskatchewan, but the Province of Manitoba and Alberta as well, showing to that Minister that his original Bill that was introduced some years ago, was simply a hoax, simply a hoax. Certainly because of the position that the provincial governments on the prairies took, all I believe, all, farm organizations also, conveyed to the Minister and the Federal Government that that Bill was of no real good to prairie farmers. It's because of that, not the Western Economic Opportunities Conference that we now have a Bill that sees at least some means of conveying stability to western provinces.

Now, Mr. Speaker, why I was against it. The Member from Lakeview asked why I was against it. Because it didn't relate to current costs of production nor did it relate to net income other than gross receipts.

Mr. Speaker, the Member went on to say that the WEOC brought about the national feed grains policy. Well, Mr. Speaker, there is one place that we should be critical of what emanated from the Western Economic Opportunities Conference if it brought about the national feed grains policy then that has to be the place.

Some Hon. Members: Hear, hear!

Mr. Messer: — I would suggest that if the Member for Morse and the rest of his colleagues associated around the province a bit and especially in the farming communities, perhaps they could arrange an appointment with the president of the Saskatchewan

Mr. Romanow: — Oh, no, they don't talk to Turner.

Mr. Messer: — They don't talk to Mr. Turner, they say that for some reason he is being directed by the New Democratic Party in Saskatchewan. Let me assure you, Mr. Turner is independent of any direction from any political party as is the Saskatchewan Wheat Pool and the history of that organization speaks for itself.

They can go to other organizations, perhaps he'd like go to the National Farmers' Union, I don't know whether they are welcome there or not. Or to the Saskatchewan Federation of Agriculture.

Mr. Weatherald: — The United Grain Growers.

Mr. Messer: — The United Grain Growers is not an organization representing farmers.

Mr. Weatherald: — Nonsense.

Mr. Messer: — The Member says that that's nonsense. I suggest that he go to a farm organization of which we have several. Mr. Speaker if they would talk to these organizations or if they would talk to these individuals - Mr. Speaker, the Member for Cannington if he can still put it together after I take my seat will have the opportunity to debate this. I have no intention of adjourning the debate.

Mr. Speaker, yes, talk to the Palliser people if you want to. I would suggest that if they would endeavour to find out what the majority opinion of farm organizations, or for that matter, individual farmers' opinions, they would find out that they agree with the statements that emanated from the Wheat Pool meeting here several weeks ago, and that is that the Minister responsible for the Canadian Wheat Board should resign because of the kind of policy that he introduced in regard to feed grains, because of its detrimental repercussions for Saskatchewan agriculture. Not only for grain, but for livestock as well.

Mr. Speaker, I think the most surprising statement made by the Member for Morse was that he recommends, he and his Liberal colleagues sitting to your left recommended that we have a royal commission to look into the CN and CPR and their activities in relation to freight rates and in relation to Crow's Nest rates and in relation to rail line abandonment.

Mr. Speaker, the crisis that we are confronted with in regard to rail line rationalization and freight rates in western Canada is an immediate one. I speak, I think I speak with the backing of the people of Saskatchewan, they want some positive action now. Not a commission that is going to take six years or seven years or longer as did the last commission that looked into the matters pertaining to railways and freight rates in Canada. Absolute lunacy for people in Saskatchewan to expect that they are going to get any positive results if we were to endorse a royal commission and wait for several years.

The Federal Government has already introduced, they have already set the stage for the demise of a good many miles of rail lines in western Canada and for a complete restructuring of the grain handling system in this province, by introducing flexible handling charges, by introducing flexible freight rate, by offering or at least suggesting they would consider some subsidization towards farmers who had to truck grain to distant points rather than take it to the point that they can now dump at and have it hauled by rail.

The endorsement of the inland terminals to try and shut down hundreds of elevators in the province, to consolidate the grain handling system so that they can with more ease advocate and implement the rail rationalization which would cut out thousands of miles of branch lines in the Province of Saskatchewan. I want to know where the Member for Morse stands on that?

Some Hon. Members: Hear, hear!

Mr. Messer: — Mr. Speaker, if there has been a failure, to try and resolve the problems that this Government and the people of Saskatchewan are so concerned about, it emanates from the Federal Government and from the Members who sit to your left who continue to play politics about a most serious concern.

Mr. Speaker, I want to make some further comments in regard to what has emanated from the Western Economic Opportunities Conference. It is now approximately one and one half years since that, and I think it was an historic Western Economic Opportunities Conference which was convened in Calgary. I think, Mr. Speaker, that it was a conference especially, where the delegates from the four western provinces had some high hopes in being able first to bring to the attention of the Federal Government concerns and problems of western Canada and then agree to some means of working out those problems. Our Premier at that conference stated in his opening comments that we were taking part in a determined effort to break out of the economic framework that was erected for us by the Canadian National Policy in the 19th Century. Perhaps it is more than an economic framework, I think it could more accurately be looked upon or described as an economic barrier to development in western Canada. That policy, Mr. Speaker, gained by the exploitation of western primary resources, particularly agricultural resources and the development of a protected industrial development centred in central Canada. It, Mr. Speaker, was based on and implemented through tariffs and through the railway system that we are debating today.

After a number of years of struggle and debate a national transportation policy, a policy that had been operative for many years was enshrined in the National Transportation Act of 1967. Unfortunately, Mr. Speaker, this Act didn't contain anything new, it didn't really resolve the problems that western Canadians were concerned about. In fact the Act merely perpetuated an unjust freight system that was originally designed to serve the West as nothing more than a colony of central Canada.

I repeat, Mr. Speaker, we went to that Conference with high hopes. We were determined along with the other three western provinces that the National Transportation Act should be amended

soon. We determined that we would no longer accept the structure of freight rates governed by competition in an area where there was no real competition. We took with us documented cases of rates that constituted an unfair advantage being taken on the monopoly position of the railways - the Attorney General mentioned some of those in his speech earlier

We provided them with the example of the situation in the alfalfa dehydrating industry and its problems with transportation. Mr. Speaker, the Saskatchewan alfalfa dehydrating industry I think is a classic example of a western development opportunity struggling under the depressing influence of monopolistic transport policies on captive shippers.

Mr. Speaker, the dehydration industry is dominated by freight rates based on what the tariff will bear, rather than on the cost of providing the transport services. Rate increases are justified by the railways on the basis of the need to charge overheads incurred in the competitive markets to commodities that are captive only to the railways. By arbitrarily manipulating freight rates the railways can in effect regulate the profitability of the alfalfa dehydration industry and consequently the future course of its development. In fact, Mr. Speaker, rate changes have paralleled the growth and market demand of alfalfa pellets produced in Saskatchewan. Rather than having the profits from increased demand accrue to the industry profits have been skimmed by the railways through proportional increases in freight rates.

Between 1970 and 1974 freight rates on alfalfa pellets from Saskatchewan points to Vancouver have increased by more than 44 per cent or from \$9 a ton to in excess of \$13 per ton. I ask the Members opposite, Mr. Speaker, how do they expect these kinds of secondary industrial enterprises which provide not only economic but social security to Saskatchewan, how do they expect them to survive when they have those crippling freight rates brought upon them without any ability to negotiate some other lesser charges?

Mr. Speaker, this was a typical example to bring to the attention of the Federal Government. It typifies the struggle of an infant processing industry in Saskatchewan faced with the present freight rate situation. For the information of the Members opposite, the total invested in the industry in Saskatchewan is close to \$4.5 million. All of that investment has taken place in the last four or five years, meaning it is a significant industry to this province. Approximately 65,000 acres of Saskatchewan grain land has been converted to alfalfa production. The dehydration industry has an output of in excess of 120,000 tons of pellets per year. The industry I am told in its current developing state employs in excess of 250 men and generates a payroll of in excess of \$500,000 annually.

Mr. Speaker, the four western provinces in a united effort at WEOC asked that particularly Section 3 of the Nation Transportation Act be amended. It was unanimously, Mr. Speaker, submitted to the Federal Government that a positive commitment to promote balanced regional development was required. We said it ought to be written into Section 3 of the Act. It was interesting that in spite of the agreement with what we had to say regarding the injury accomplished under the present Act they were adamant. The Federal Government was adamant in refusing to consider the proposed amendment. Similarly pressure for a

stated time frame for information on rates and for information regarding discriminating rate cases which had been filed was rejected. It was rejected, Mr. Speaker!

It appears now that out of this conference the western provinces, particularly the prairie provinces got two things: First, an extension on the freeze on branch lines to include those lines that had been unfrozen since 1967. While we did appreciate this, we also noted that this action was welcomed by the railways since it allowed them to claim subsidies for 1971 and 1972 on those lines.

Secondly, Mr. Speaker, was the announcement by the Prime Minister for an important decision on rail rate freeze in 18 months. The purpose was declared so as to give us time to make major progress on items referred to in our federal-provincial committees.

Mr. Speaker, what has happened? To start with, I think it was questionable as to whether it was really a freeze. One may talk about a slow freeze, but I don't even think that this was a good chill. First indications following WEOC were that the freight rate freeze was to be a general freeze, I reiterate general freeze. My colleague, the Attorney General, made some comments in this regard. But shortly after that freight rates on certain goods went up and among those items was steel from IPSCO shipped from Regina to Vancouver. When the province expressed concern about these increases the railways had a talk with the Minister of Transport and to my knowledge Mr. Marchand informed us that it was not a general freeze, but rather a freeze on freight rates on only certain commodities. The impression was then given that the freeze was to apply only to about 70 per cent of the railway traffic. Since then freight rate increases have applied on close to 50 per cent of all traffic leaving us with the situation that now the freeze applies to only 22 per cent of all railway traffic.

This situation is symptomatic of the problems related to the morass of political statements and policy statements, innuendoes, proposals and reports coming out of the Federal Government on transportation policy.

It is almost too much to be a coincidence that the failure to adhere to the principles agreed to at the Western Economic Opportunities Conference and the promises made at the conference with regard to the freight rate freeze are so similar to the failure of the promises made at the same conference to remove the Feed Freight Assistance program and furthermore the promise to provide information on freight rate transportation costs.

Combine this, Mr. Speaker, with other federal matters: The removal of feed grains from the orderly marketing and the proposals for the removal of the statutory Crow's Nest freight rates. It presents an all too familiar pattern repeating itself of keeping the prairie provinces as proverbial hewers of wood and drawers of water for eastern businesses and political interests.

Unfortunately, the so-called freight rate chill did not apply to alfalfa pellets, a basic secondary agricultural product. As the freight rate went up from \$11.20 per ton to Vancouver in 1974 to in excess of \$13 per ton in May of 1974,

a further increase of 17 per cent.

The lifting of the freight rate freeze will undoubtedly cost Saskatchewan farmers many, many millions of dollars as well as aggravating further the problems of the development of processing in this province. Mr. Speaker, I believe the problem it creates for processing firms is clear from the example that I noted on alfalfa dehydration.

In order to look at its potential effect on farmers one can use the case as an example of what it would do to the livestock industry. Roughly one million hogs are produced annually by the farmers in the province. Almost one half of our production is shipped out of the province as fresh or frozen meat, mainly to eastern Canada and to the United States. But since, Mr. Speaker, the American Government virtually closed the border on the importation of meat and livestock, the only alternative open to us today is to ship to the Montreal area unless significant sales are attained abroad and we are working toward that. Incidentally, Mr. Speaker, it may be noteworthy to state here that we would not have had a blockade established on the Canadian-US border if the federal Government had undertaken in a responsible way the working out of interim quotas on cattle coming in from the United States in relation to whether or not they were treated with stilbestrol or DES. That is another matter that I think we shall debate to some further extent in this Legislature.

Well now there is the prospect of increasing rail transportation costs because of the alternative trucking industry and the removal of the freeze, this means that the potential is there for a freight rate increase. Even if costs were not going up immediately on January 1st it is not unreasonable to predict a cost increase shortly thereafter of \$1 per hundredweight, bearing in mind that the notification has been given of the forthcoming 20 to 30 per cent increase on a wide variety of products. These increases on freight rates translated back to the farmer would cost the Saskatchewan farmer literally millions of dollars.

The shipment of agricultural products is plagued by severe anomalies, which have worked against the development of the industry in western Canada. The classic example is the anomaly created by the cost of shipping live animals as opposed to shipping fresh and frozen meats.

An example of the existing freight rates illustrates this point and that would be the cost of shipping fresh and frozen meats from Saskatoon to Toronto in minimum 21,000 pound lots. The cost of \$4.15 per hundredweight compared with the cost of shipping live animals which is \$3.37 per hundredweight in minimum 20,500 pound lots, obviously indicates that there is encouragement for producers in Saskatchewan to ship live animals rather than processed meat products, thereby, Mr. Speaker, robbing us of expanded secondary industrial and processing development in this province.

By the stand that has been expressed by the Member for Morse (Mr. Wiebe) and I take it that he is speaking for the rest of his colleagues who sit to your left, they are perfectly willing to sell Saskatchewan short on that potential industrial development.

Some Hon. Members: Hear, hear!

Mr. Messer: — While hogs are generally sold in eastern Canada as fresh or frozen meat most cattle not required for consumption by Saskatchewan consumers is sold live weight as finished or feeder animals.

Mr. Speaker, I am further advised that freight rates on livestock from Regina to Toronto will be increased as of January 1st by 30 per cent or 90 cents per hundredweight. This freight rate increase, like the freight rate as it affects hogs, will inevitably find its way back to the Saskatchewan farmers in the form of lower prices for their products. This could cost beef producers of our province a further \$2 million or \$3 million per year because of the Federal Government's reluctance to develop transportation policies that favour the development of the West.

Mr. Speaker, the Members, and especially the Member for Morse and I assume again that he is speaking for the rest of his colleagues, they endorse that kind of policy which will take away from farmers legitimate net incomes.

One could go on, Mr. Speaker, and identify other added costs to farmers, consumers, businessmen, small towns and so on because the Federal Government, in its wisdom, does not appear willing to examine the impact of changes in transportation policies before they are implemented.

In summary, I can only express to you, Mr. Speaker, my utter disappointment with this approach the Federal Government is pursuing in transportation policy development. I am appalled and I am dismayed that after the hopes presented at WEOC that the Federal Government would abandon all semblance of an orderly approach to a transportation policy that would remove the inequities of the present system and encourage the aspirations of Western Canada for developing the agricultural industry of creating jobs in the processing industry in our Saskatchewan communities.

Mr. Speaker, the Member for Morse asked, what is the position of the Government of Saskatchewan? We have a position and certainly whether that position should be enunciated in this particular debate is of some question, because we are not only concerned about the lifting of the freight rate freeze, but we are also concerned about the Crow's Nest rates and what the Federal Government and the railways are prepared to do or contemplating in that regard and also what is going to be done in regard to working out some rational means in resolving the question of branch line abandonment, followed by the whole grain handling and consolidation of the grain handling system.

Mr. Speaker, I do want to say that the Federal Government's position is to have the producer surrender the guarantees which have been enshrined to them in the Crow's Nest rates by statutory legislation.

Some Hon. Members: Hear, hear!

Mr. Messer: — That is the present Federal Government's position also the present position of the Liberal Party in Saskatchewan. Since transportation, Mr. Speaker, is an instrument for regional development and as was accepted by the Federal Government at the

Western Economic Opportunities Conference, at least that is what they told us at that time, when they came to be sensitive to the needs of the western region, transportation is essential to development in western Canada and the proposal made by the Federal Government is an example of the Liberal Government's insensitivity to this problem.

There was no consultation whatsoever with any western governments on the Crow's Nest rate suggestion and virtually none whatsoever on abandonment. Further, Mr. Speaker, the Federal Government's proposal simply means wholesale abandonment of lines in Saskatchewan; wholesale abandonment at the railroads' discretion.

The Federal Government's spokesman has stated that the reason for the removal of rates was to encourage processing of agricultural products in western Canada. Such a position is blatantly inconsistent with the federal feed freight assistance policy. Any processing in the West, due to increased primary rates, will not find an eastern market available since those feed operations in eastern Canada will move then to relatively cheaper American corn.

Mr. Speaker, the Provincial Government's position in regard to the Federal Government's proposals, which means, in effect, wholesale branch line abandonment at the complete discretion of the railways, is that we should introduce a policy which does not permit any undertaking or movement in the area of branch line abandonment unless there is input from the province and the people who are going to be affected. I think that most people will agree that if there is going to be a rationalizing of the transportation system, it may well be that there will be some abandonment of rail lines. But certainly before abandonment takes place . . .

Mr. Weatherald: — Which ones?

Mr. Messer: — Mr. Speaker, they ask, "Which ones?" And again may I bring to their attention that it is a bit irrelevant to ask which ones before . . .

Mr. Weatherald: — Why?

Mr. Messer: — Mr. Speaker, it is a bit irrelevant and the stupidity of the Members opposite is certainly being indicated now . . .

Some Hon. Members: Hear, hear!

Mr. Messer: — . . . to ask us to tell which lines should be retained and which lines should not be retained before we have consultation with people who may be effected by those decisions. And there is absolutely no way . . .

An Hon. Member: — Have you been . . .

Mr. Messer: — Yes, we have been studying and yes, we have set up a special branch within the Provincial Government and, yes, we have spent money, but the studies are in effect worthless if the Federal Government continues to change its policies in

regard to transportation by which we are affected. We have been discussing for three and a half years - and the Member for Cannington (Mr. Weatherald) should know it - transportation policies with the Federal Government completely in isolation of any change in the Crow's Nest rates. And after a meeting at Saskatoon, where the Minister responsible for transportation met with the other western provinces - Mr. Marchand - and I think they assumed there was some optimism showing there, I believe that is right, Mr. Attorney General, in regard to resolving some of these problems. Out of the blue comes a statement made by the Minister responsible for the Canadian Wheat Board in Alberta that the Crow's Nest rates are in question. Now what seemed legitimate in regard to what lines should stay or what lines should be removed or what kind of a recommendation or policy we should be pursuing is totally worthless if the Crow's Nest rates are going to go.

Some Hon. Members: Hear, hear!

Mr. Messer: — The Members opposite should be criticized and should be criticized severely for trying to back the Provincial Government into a corner and saying that we should be able to enunciate with precision transportation policies in Saskatchewan when the Federal Government is always one jump ahead of us, making announcements where there has been no discussion or co-operation whatsoever.

Mr. Speaker: — Order, order! There is too much crossfire here, let the Member make his speech. Others will have a chance to speak later.

Mr. Messer: — Mr. Speaker, I was saying that there is no way that we can come out with an precise rationalization of the railway system . . .

Mr. Weatherald: — Oh, now don't tell us that.

Mr. Messer: — That's right, I tell you that and I'll tell anybody in Saskatchewan that because then we are no better than the railways or the Federal Government deciding in some board room what is good or what isn't good for the people of Saskatchewan.

I say that even though we can't get the co-operation of the Federal Government we have to have joint discussions with the railway companies, as we have had, and with producer representatives. There have to be public hearings held in communities which will be affected by any change in the transportation system. There has to be an agreement between the Federal and Provincial Government as to abandonment and there must be a program of federal assistance, perhaps federal-provincial, to ensure that neither the producers nor the communities affected will be penalized in any way if a rationalization of the transportation system comes into place.

We also have to have, Mr. Speaker, and this is one of the major problems that we have had in trying to develop some rational approach to this question, we have to have full disclosure of railway costs with respect to grain movements. And at present, Mr. Speaker, no government has any access to this

data. I ask the Members opposite - and we have somebody chirping from I don't know whose seat he is in now in the back, about Intercontinental and he should know by now that we are not discussing Intercontinental.

Mr. Speaker, surely these people, surely the Members to your left, if they are thinking men at all will have to realize that we cannot come forward with a proposed policy until we have this information. Otherwise there is no means of our being able to communicate to those communities and the people who are affected that they will not suffer some adverse affects when the rationalization takes place. In other words, we have to have some commitments from the Federal Government as to what they are going to do in relation to rates, freight rates, not only for grain but for all products that may be shipped either into or out of Saskatchewan or the Prairie Basin.

We have been trying to get that kind of information for the last couple of years - for the last 18 months since WEOC - and we certainly haven't been very successful in getting it from the Federal Government.

Mr. Speaker, because obviously this issue is one of great importance and the Member for Morse (Mr. Wiebe) has brought in some new information that I wish to comment on further before we can have continuing misinterpretation of what it is the Government is proposing, I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 1 - **An Act to amend The Trustee Act.**

He said: Mr. Speaker, Section 3 of The Trustee Act lists the classes of securities in which a trustee may invest any trust money in his hands. For example, these authorized investments include securities of the Government of Canada and the provinces and bonds and debentures of any municipal corporation, school district or school unit. Section 3 of the Trustee Act is being amended by adding a further clause to it, namely, Sub (1). The effect of the amendment is to make all shares of the Saskatchewan Development Fund Corporation an authorized investment so that Saskatchewan trustees who control a large and important source of investment capital can invest in shares of the Development Fund.

Mr. Speaker, I move second reading of Bill No. 1.

Mr. K.R. Macleod (Regina Albert Park): — Mr. Speaker, on this one we do have a problem or two with it because this allows the investment by executors and other people that handle private funds in the Saskatchewan Development Fund Corporation. Now this Fund has just begun in July of 1974. This Legislature has not yet had any opportunity to examine the affairs of the fund. There have been concerns expressed privately that the Government temporarily pumped up the fund with government moneys and we do not know if that is correct. It has been suggested that the Government is borrowing from the fund, or departments are borrowing at excessive rates

to produce an artificially high return at this time prior to an election. Again, we don't know if that is correct.

We have no evidence whatsoever and no information that the fund has helped keep or build industry in Saskatchewan. We have no faith in the ability of Mr. Keith, the defeated NDP candidate, former school teacher, to manage the fund properly.

In response to a question by Mr. Grant, item 18 of December 3, 1974, regarding Mr. Don Keith, it was admitted that Mr. Keith was the general manager of the fund at \$23,500 per year. He commenced his duties on June of 1974. His qualifications are primarily that he has been involved in education. His experience is something of a joke because his experience to handle the funds of the Saskatchewan Development Fund Corporation are as follows: He is a teacher, departmental head and had 15 years experience. He worked on a farm; he was an executive assistant with the STF for five years and the one that seems to be stretching it a bit was that he was employed as a consultant with the GFO in establishing this fund where he is now the manager. I am somewhat concerned about this. As a result I think this particular amendment ought properly to be postponed until the Legislature has had some experience with the fund before asking us to approve this as an investment for trustees.

Mr. J.G. Lane: — In rising to comment on this particular Bill it's a little strange that by these amendments to include shares of the Saskatchewan Development Fund as proper secure investments for trustees so that investments made by trustees are proper and secure investments and that a trust cannot be dissipated by the executor or the trustee. From all indications or lack of indications this goes completely contrary to the intent of the legislation.

The Government is asking the Opposition to vote on a Bill which endorses political patronage by the appointment of a defeated NDP candidate, with no experience, and the only criterion he had for the job was the fact he liked money because he took the job for \$22,500 or \$23,500 and it would be pretty tough for him to turn that down, but that's not enough to give the trustees and executors around this province protection against bad investments. Also, the fact that this particular head of the Development Fund happens to be a defeated NDP candidate who had the job before he ran and probably this contributed something to his defeat in that particular election. The fact that he had more to gain by losing, indicates again that the Government is asking this Assembly to vote on an amendment that is completely contrary to the intention of the principle of the Act. That's something we find we cannot do.

For example, do we know whether the Saskatchewan Development Fund has invested its moneys in Service Printers. If it has, then to bring a Bill like this before the Legislature is, I think, an abuse of the privilege of the Minister responsible. I think too, that if the Saskatchewan Development Fund, through its political head has made an investment in Intercontinental Packers then surely again it is an abuse of the privilege of this Assembly to bring such a Bill before the House.

Has the Saskatchewan Development Fund invested in Delta Systems? I don't know. The people don't know. If it has invested, again through its political head, then surely again

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it is wrong for the Minister to bring this type of an amendment before the Assembly, because it is the intention of this Act to protect the people or recipients under trust from bad investments by executors and trustees. There is every indication that, in fact, the amendment will go contrary and refute the very principle of the Act.

We will have more to comment on this particular matter and I beg leave to adjourn debate.

Debate adjourned.

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 2 - **An Act to amend The Bills of Sale Act.**

He said: Mr. Speaker, I want to move an amendment now to Bill 2, The Bills of Sale Act.

I have been looking carefully and I see no reference to Service Printers in this Bill, Mr. Speaker. However, I realize that my legal expertise and acute observation is not as careful as those of the Members opposite, so if Service Printers does, in fact, arise in this debate on this Bill, Members will forgive me.

As far as I can see, Mr. Speaker, this Bill seeks to amend Section 2 of the Act only and what does it do? As far as I can see, Mr. Speaker, it says this: The central registration office is presently opened at the same hours as the Registrar of the courts, and like them, is closed every afternoon during July and August. The effect of this amendment would be to require the central registration office to open the same hours during July and August as it is during the rest of the year. The central registration office is not directly connected with the court services, but rather deals with the registration of bills of sale and chattel mortgages. It has been a matter of some inconvenience to persons conducting commercial transactions during July and August that they cannot make searches or register documents in the afternoon during those months. I've got it! Somebody is going to say that somebody from Service Printers went down on an afternoon and they couldn't get the search carried out and that's why we are amending it.

Well, Mr. Speaker, maybe, maybe the Members of the Opposition just won't raise that on this point and if that's the case I can just conclude by saying this does affect all people. This amendment has been suggested by the Inspector of Legal Offices on the basis of complaints received by him and I would hope that all Members of the House would agree to the second reading of the Bill, to amend The Bills of Sale Act. I so now move second reading.

Mr. Lane: — The Attorney General is getting a little paranoid about this and maybe he could tell us who printed the Bill?

Motion agreed to and Bill read a second time.

MR. ROMANOW (Attorney General) moved second reading of Bill No. 3 - **An Act to amend The Revised Statutes Act, 1974.**

He said: Mr. Speaker, this has to do

with the Statute Revision Committee. This is a Bill to amend The Revised Statutes Act, 1974.

Section 2 (i) of this Act confirmed the appointment, by Order in Council, passed in November of 1973 of a committee to consolidate and revise the statutes of Saskatchewan. At that time all members of the committee were solicitors within government service, except the chairman and vice-chairman, who were, and are, federally appointed judges.

The formation of the committee in the past to consolidate and revise was restricted to government solicitors, except for two appointments from the bench.

The Act presently provides for the appointment to the committee where vacancies are created through death, resignation or incapacity to act. However, as Members will know, frequent staff changes of government solicitors are occurring and it is considered advisable to have the authority to terminate appointments where the solicitor leaves government service so as to maintain government representation on the committee as before.

The amendment is to allow the termination of appointments where the appointee may leave the service and it's deemed advisable to maintain the representation as set out.

The amendment will also allow an increase in membership if such is considered necessary but I tell the Members that none is contemplated by myself or my department at present.

No provision was contained in the Revised Statutes Act, 1974 to provide for the employment of clerical assistance required by the committee for the revision of the statutes. This is a three-year project and presently a part-time clerical typist is employed by the Legislative Counsel on this project, but the work assigned to this person is entirely for the committee for the revision of the statutes, none of the duties being those affecting the office of the Legislative Counsel people.

Now I should advise Members that the membership is made up of Chief Justice Culliton as chairman, Judge Richard McCallum as vice-chairman, Mr. Len Ganne is secretary, the other working members of the committee are Garnet Holtzman of the Attorney General's Department; Mr. Dave Tickell of the Attorney General's Department; Mr. Roger Surkan of the Attorney General's Department; Miss Louise Simard, Legislative Counsel; Tom Howe, counsel of SaskTel; Don McKillop, Attorney General's Department; Darryl Bogdasavich, Attorney General's Department. One other, Mr. Sid Horton has left the Government service.

I move second reading of Bill 3.

Mr. K.R. Macleod (Regina Albert Park): — Mr. Speaker, even if this Bill was printed by Service Printers, I have studied it and I consider that it will provide needed flexibility to the present statute and is in order.

Motion agreed to and Bill read a second time.

MR. ROMANOW (Attorney General) moved second reading of Bill No. 5 - **An Act to amend The Married Women's Property Act.**

He said: Mr. Speaker, this is a very

important Bill and a very important amendment in my judgment.

The purpose of the proposed Bill is to give the court the power to make a fair and equitable division of matrimonial property and the amendments are being made to The Married Women's Property Act.

Under the present law, generally speaking, a wife is not entitled to a share of property registered in her husband's name, unless she has made a financial contribution, or can produce evidence of an intention to share. The now famous cases of Murdoch and Rathwell, that all Members will have heard of, have dramatically shown the unfairness of this particular law.

Last year I asked the Saskatchewan Reform Commission headed by Professor Brian Grossman to give top priority to research thoroughly into the law relating to matrimonial property. To date, I think the commission has done an excellent job. It has produced three mini-working papers (really mini-working papers is not the correct title for them because they are very comprehensive documents) setting out tentative recommendations for reform of the law in this area. The commission is now engaged in holding hearings, public hearings, to give the public a full opportunity to comment on their proposals in the three working papers. And the chairman has advised me they hope to submit a final recommendation plus draft legislation and there will be amendments to about 20 bills required, sometime in 1975.

Mr. Speaker, the Government does not look upon the proposals in this Bill as any final solution to the problems relating to the law of matrimonial property. Rather, we put forward these proposals as an interim measure only, until we are ready to proceed with legislation arising from, and assuming acceptance of, the final recommendations of the Law Reform Commission of Saskatchewan.

The proposals in this Bill are based on the discretion or contributions approach. The Court of Queen's Bench will be given power to make distribution of property upon the application of a husband, or wife, or third party upon whom conflicting claims are made. The judge will be able to make any order that he considers fair and equitable. The more common types of orders likely to be made in such applications are set out in subsection (ii) and include, for example, orders for sale; partitions; division into shares; and possessions.

Under subsection (iii) the judge is expressly directed to ignore the legal definition of the property at the time that he makes the order. To put it another way this means that a judge can order that property or a portion thereof registered in the name of one spouse be transferred simply, equitably to another spouse. This was one of the problems that precisely faced the courts in the Murdoch and Rathwell cases and many similar cases. There was no, or appeared to be, no judicial authority to act in this fashion.

With respect to subsection (iv), I regard this subsection as one of the most important parts of the Bill. Here, guidelines are set out for the judge when he is assessing the contributions of the spouses. It says that "He shall take into account contributions made by either spouse in the form of money, services, prudent management, caring for the home or family, or any other considerations and contribution that the judge

finds relevant". I might underline here - 'he shall' in the first line. I think it is especially important that the judge give credit for the contribution made in caring for the home or the family. Any legislation which fails to include this would, I think, severely and unduly penalize the woman and again limits the judicial discretion available to the judge.

Now, Mr. Speaker, I want once again to emphasize that this is no final answer but merely an interim measure, until such time as this House can act.

On a number of occasions many of us have committed ourselves to legislation providing for recognition of the concept of equal partnership in marriage. I support that approach and it certainly appears that this is the direction in which the Law Reform Commission is also moving. I eagerly await their final recommendations. If the final recommendations follow those set out in the third paper, it may well be that this amendment, with some alteration, could become a part of a comprehensive legislative scheme relating to matrimonial property and support and the division of the matrimonial property.

Members of the House will, of course, note that the first tentative recommendation of the commission is that legislation providing for the exercise of judicial discretion be passed immediately to apply to property in any marriage solemnized prior to the adoption of what the commission refers to as "deferred participation scheme". So, as you can see, this being the first component of the proposal, and if it's adopted, we will already be in place by way of this amendment.

I might also point out that the Law Reform Commission has examined these amendments which are before the House and recognizes them and as far as I understand approves of the submissions that are before the Members.

In closing, Mr. Speaker, I should like to point out that the real solution to the problem of matrimonial property can only come with legislation which creates a total scheme of mutual support obligations, having regard to the capacity to earn. Rights to alimony, inheritance, division of property, preference in taxation, to name only a few, must all be adjusted when we are looking at these new concepts of marriage and the division of marital property.

I look forward to presenting such legislation to the House and the report of the Law Reform Commission in the not too distant future. In the interim, I am pleased to move second reading of Bill 5 - An Act to amend The Married Women's Property Act.

Mr. E.C. Malone: — (Regina Lakeview) Mr. Speaker, in speaking to this Bill I should like to point out to you that the Attorney General left the impression that after he heard about the tragic consequences of the Rathwell and Murdoch cases that his Government moved promptly to rectify this situation in Saskatchewan.

I wish to refresh the Attorney General's memory a little bit and the Members of this House and the people of Saskatchewan. These judgments had been handed down for some time. The Attorney General and the Government had done nothing,

and it was only when the Liberal Party, the Opposition Party, presented a resolution to this Legislature that anything was done. I would suggest to the Attorney General that it was because of the action of the Opposition Party that we now have this Bill before us.

There are just a few points I should like to make at this time, Mr. Speaker, on the Bill, and I'm afraid I may sound a little lawyerish when I'm making these, but I think that the Bill is weak in one way and a problem, at least, in another way.

First, Mr. Speaker, I refer to section 22 where according to the Bill it indicates the husband or wife may apply in a summary way to the Court of Queen's Bench. Presumably this provision is to make the application simpler and easier and so on. But I think the result of this, and I would ask the Attorney General to consider this, is that it would probably be more of a complicating factor than anything else and I would urge the Attorney General to reconsider this part of the Bill and make the application in the normal way whereby there would be allowed examinations for discovery and other pretrial procedures. I think if this was done, in the long run, it would be more of a benefit to the parties involved than applying in a summary way which I am sure would result in endless adjournments and so on and nothing would be done.

The second point I should like to make, Mr. Speaker, is that because of the power given to the judge to make certain directions as to the sale of the assets of the marriage, I am wondering whether or not if certain assets were ordered to be sold whether this would be considered a deemed realization and as such the income tax department would step in and apply a tax once this was done. These are certain provisions of The Income Tax Act in this regard which I am sure the Attorney General is familiar with. I would suggest that this would be a great injustice to the parties involved and at the same time there had to be tax paid as a result of the sale. I have asked the Attorney General to consider this again before the next reading of this Bill.

Mr. Speaker, I have other remarks that I want to make about this Bill at a later date and accordingly I beg leave to adjourn the debate at this time.

Some Hon. Members: Hear, hear!

Debate adjourned.

MR. ROMANOW (Attorney General) moved second reading of Bill No. 8 - **An Act to amend The Vehicles Act.**

He said: Mr. Speaker, this Bill is Bill No. 8, The Vehicles Act. The amendments proposed to The Vehicles Act total three in number and specifically they deal with:

1. Learners' licences,
2. Blood alcohol levels,
3. School buses.

Let me deal with those three amendments.

First, learners' licences. As you are aware, Sir, Saskatchewan has a high school driver education program of

which it can be justifiably proud. Indeed this is the only province in Canada, I am advised, where school jurisdictions are actually obliged to provide such training as a curriculum offering. Of course, Mr. Speaker, in order to make the program effective a special type of learners licence was developed to enable students enrolled in the program to begin their driving practice before reaching the age of 16. I would like to point out that the control over the special learners' licences is rigidly enforced to make sure that young people who are using them use them only in those circumstances for which they were designed.

Subsection (5) of Section 66 in the Act presently ensures that the student only operates a motor vehicle when accompanied by his high school instructor or by his parent or guardian where they are also holders of subsisting operator's licence. At this time these are the only people permitted to assume responsibility for the supervision of the student driver when he operates a motor vehicle during training. A number of cases have arisen in the recent past where a student cannot practise driving with anyone other than his high school instructor simply because his parents do not hold subsisting operator's licences themselves. Moreover, there are occasions where a student may be living away from home in order to attend a special training institute and is unable to practise his driving because his parents are not nearby and can't accompany him. Therefore, this first amendment to this Section will enable such a student to be supervised for practice training purposes by a person authorized to do so by the Director of the Motor Vehicle Administration. In summary, on this point, therefore, the Act presently allows the student to be accompanied by a parent, guardian, or high school instructor who holds a subsisting licence. This amendment will merely permit the Director of the Motor Vehicle Administration, at his discretion, to authorize another suitably qualified person to accept this responsibility when a parent or a guardian is not available to take it upon themselves.

Now the second amendment relating to blood alcohol levels. Recent amendments to the Criminal Code of Canada, Mr. Speaker, now provide for the virtually immediate release from custody of persons charged with impaired driving or driving with a blood alcohol level in excess of .08 per cent. This simply means that a driver who has been tested and found to be impaired or to have a blood alcohol level in excess of .08 per cent can technically be released again to drive his car before his blood alcohol level or level of impairment has actually been lowered. The proposed repeal of Section 104 (a), subsection (10) of The Vehicles Act would allow a police officer in circumstances as I have described to suspend the licence of a driver for a period of 24 hours and thus keep him off the road while he may still be impaired, which I think gives added protection to the public.

School buses, the final item. Mr. Speaker, this refers to school buses and I am advised that this really is no change in policy or enforcement. It is just an oversight in the Bill when it was originally drafted and what it does is amend subsection (20) of Section 119 and makes it mandatory for all school buses to be equipped with licence described in that subsection. I am told that they are all now mandatorily equipped anyway.

Mr. Speaker, road and traffic safety is a source of constant and serious concern to all of us. We await eagerly the report of the Special Committee of the Legislature on Highway Safety.

One of the means available to us in the resolution of some of its many attendant problems is an equally constant vigilance toward those areas of the law which relates specifically to road use. I think these amendments are submitted in that context, and Mr. Speaker, I move second reading of Bill No. 8.

Mr. K.R. Macleod (Regina Albert Park): — Mr. Speaker, I have studied these amendments and they are good ones and we'll support them. I have in mind, however a comment or two with respect to the second item referred to by the Attorney General. That is the provision which is intended to keep the driver's licence for a 24-hour period after he has been picked up for impaired driving but has nonetheless been released from custody. The question I have for the Attorney General is the practice of the Attorney General and the department with respect to people who are impaired and have attempted to drive their cars home. I wonder if the Attorney General's Office is making any effort to see to it that there is a distinction between those who after having become impaired attempt to act in a more responsible manner and those who don't. At the present time if a person is impaired and is driving on the road knowing full well that he ought not to be driving, but is perhaps a half mile from his home, he is better off probably to try to make it home, that is, so far as the law is concerned because it will only take him a few minutes and he will be off the road. Hopefully, or at least he hopes to get home without an accident, if he should come to the conclusion that he should not be driving and drive his car to the side of the road and park it and remain with it, he does two things. First of all, he acts far better than by continuing to drive but he also markedly increases his chances of being arrested and charged with being in the care, custody and control of a vehicle while he is impaired. As a result I wonder if the Attorney General can indicate if any attempt is being made to give some recognition and credit where credit is due in this case. We find many cases where people who, by the broad definition of custody, if you are impaired and are even outside your car, standing nearby, can be said to be in charge of it, the definition of control would put you in charge of it and impaired and would convict you. It doesn't seem to me that the law is treating people with proper distinctions for their own efforts to be better citizens at that point.

Mr. Romanow: — Well, Mr. Speaker, I must say that there has not been as much work done on this as perhaps ought to be as the Member suggests. In committee I will try to acquaint myself a little more specifically on the question of this point raised by the Member. I can tell him as a general statement that not enough work has been done in this area.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 5:30 o'clock p.m.