

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Seventeenth Legislature
17th Day

Thursday, March 13, 1975

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

WELCOME TO STUDENTS

Mr. E.L. Tchorzewski (Humboldt): — Mr. Speaker, I should like to introduce to you and through you to this Assembly 23 Grade Four to Eight students from Fulda, Saskatchewan, accompanied by their teachers, Mr. Hepp and Mr. Winkle, as well as by 18 parents. They are seated in the Speaker's Gallery and after watching the proceedings I understand they will be having a tour of the Legislative Building. I shall be meeting with them at 3:30 to discuss affairs of the government and the procedures of the House.

I should like to on behalf of the Members extend a welcome to the students, parents and teachers from Fulda and ask the Members of the House to join with me in greeting them here today.

Hon. Members: — Hear, hear!

Mr. J.G. Richards (Saskatoon University): — Mr. Speaker, I have been notified that there are 30 Grade Six students from St. Patrick's School whose teachers are Mr. Brekner and Mr. Gantner in the west gallery. I should like to welcome them to the Legislature.

Hon. Members: — Hear, hear!

ANNOUNCEMENTS

HOLY CROSS CRUSADERS' BASKETBALL TEAM

Mr. H.H. Rolfes (Saskatoon Nutana South): — Mr. Speaker, I should like at this time to take the opportunity to congratulate Holy Cross Crusaders' Basketball Team. They set somewhat of a record this year, they went through their league and through the playoffs without losing a single game. I certainly want to congratulate the two coaches, Dave Hardy and Dick Karwacki and all the boys who no doubt will teach Campbell Tartans a little bit about basketball when they meet with them on Saturday night for their Provincial 4A Basketball Tournament. I hope to get up in this House on Monday and congratulate the Crusaders for becoming the provincial champions.

Hon. Members: — Hear, hear!

REQUEST FOR SILENT FILM TO BE TAKEN FROM THE GALLERY

Mr. Speaker: — Before I call Orders of the Day I should like to raise with the Members that Mr. Flegel, on behalf of the Press and Television, etc., was wishing to know if objection would be taken to them taking silent film from the gallery tomorrow

during the presentation of the Budget. I don't wish a debate on this, the Members can signify whether they object to silent film being taken or not so that I may notify Frank Flegel.

Mr. Steuart: — If they are going to take television pictures from now until the end of the Session, great, but for one particular item we would object.

Mr. Speaker: — Objection has been taken.

PRIORITY OF DEBATE

LONGER QUESTION PERIOD PRIOR TO ORDERS OF THE DAY

Mr. E.C. Malone (Regina Lakeview): — Mr. Speaker, I request leave under Rule 17 to move a motion asking for Priority of Debate for the purpose of discussing a definite matter of urgent public importance and I state the subject be:

The urgent necessity that the Members of the Opposition be permitted by the Legislative Assembly to direct questions to Members of the Executive Council prior to Orders of the Day for a period of not less than 20 minutes in order to obtain information that is in the interest of the public concerning the conduct of the Government.

Some Hon. Members: — Hear, hear!

RULING

ORAL QUESTION PERIOD

Mr. Speaker: — A notice regarding this matter proposed for Priority of Debate was received in the Clerk's Office at 11:30 a.m. today for which I thank the Hon. Member. The subject matter of this request for Priority of Debate pertains to the present practice in this Assembly regarding oral questions. All Hon. Members will recall that this matter was raised earlier in the week and I had advised the Member at that time that the proper way to initiate a debate on this subject was by means of a substantive motion with proper notice. It is true that this matter does fall within the jurisdiction of this Assembly, the question is whether this matter is of such an urgent nature that it necessitates the setting aside of the business that is already before the Assembly. I refer all Hon. Members to a ruling from the Chair on February 23rd, 1971 and I quote a portion of that ruling as follows:

The fundamental principle underlying Rule 17 was to provide an opportunity within the proper framework of parliamentary procedure where none otherwise existed for the immediate discussion of any matter deemed to be of such urgency and importance that all of the normal or special business of the Assembly should be put to one side in order to provide complete right of way to the discussion of one specific particular subject.

This can be found in the Journals of the Legislative Assembly of Saskatchewan February 23rd, 1971, page 35.

I refer all Hon. Members to Erskine May's Parliamentary Practice, 17th edition, page 365 and I quote:

The motion has been refused when an ordinary parliamentary opportunity will occur shortly or in time. The fact that a grievance is continuing is not sufficient if it is not of recent occurrence. If the facts have only been recently revealed that does not make the occurrence recent.

Further I refer all Members to Clause 10, subsection (C) of Rule 17 which states:

The motion must not revive discussion on a matter which has been discussed in the same session.

Since the Hon. Member has had full opportunity to submit a notice for a substantive resolution on this matter and is still free to do so at any time, I do not feel that this matter is a subject to which Rule 17 applies. This matter has been before the Assembly for the past 15 years and it did not just occur today. For the reasons given above I must rule the motion out of order.

Mr. Malone: — Mr. Speaker, will you permit me to speak to your ruling. I believe you have done so in the past.

Mr. Speaker: — I have been checking on that quite thoroughly. The ruling is made and there is no debate on the rule. The ruling is taken right from our own Journals of the Assembly so the ruling is not debatable.

Mr. Malone: — Mr. Speaker, I believe it has been the practice of this House and of yourself to allow Members to speak to your rulings once they have been made and I should like to have the opportunity of doing so at this time, Mr. Speaker.

Mr. Speaker: — I would suggest to the Hon. Member that he read Rule 17 which states that the Speaker must have notice and must make a ruling, a written statement is handed in, a written ruling is given back. If I am making a ruling about a matter that arises many times I will ask the Members for their comments before I make my ruling but after the ruling is made it is not debatable.

Mr. Steuart: — Surely this is a new departure. You mean to say you make a ruling and we can't even suggest that you consider some different points, that we can't even comment on it? If this is what you are saying then I say you are muzzling this House. I should like to discuss the ruling with you. I should like to say that we haven't really had a chance. If we put a substantive motion on, as you say, what the Government will do, they really don't want to give us a Question Period, obviously they don't, they can stall it to the end of the Session. This Session may well be over before we can get to that point.

Mr. Speaker: — We are now debating the subject matter, not the

ruling which is laid down in our own rules and procedure.

Mr. Steuart: — Mr. Speaker, the point I am making is that part of your ruling surely is that this is not an emergency because we have an opportunity to put a substantive motion on the books or on the Order Paper so that it can be discussed fully at another time. You are right, except that this Session may well be over before we get a chance to do that. I think that especially since this is obviously the Session before an election, I think that the Opposition, that we have the worst question period . . .

Mr. Speaker: — Order! We are getting on to the subject matter and the ruling was taken from our own precedents from our own books and from our own Standing Orders.

Mr. Malone: — Mr. Speaker, I challenge your ruling on the matter of Priority of Debate, will you let me speak to the matter at this time in connection with the challenge to your ruling.

Mr. Speaker: — You can challenge it but you can't speak to it. The Hon. Member wishes to challenge the ruling which I have made. It is not my ruling, it is a ruling of the House, a ruling based on our precedents.

Ruling of Chair sustained on the following recorded division:

YEAS — 37

Messieurs

Blakeney	Dyck	Meakes
Wood	Smishek	Messer
Snyder	Bowerman	Thibault
Larson	Baker	Kowalchuk
Taylor	MacMurchy	Pepper
Michayluk	Byers	Thorson
Whelan	Kwasnica	Carlson
Engel	Cody	Robbins
Tchorzewski	Faris	Owens
Mostoway	Gross	Feduniak
Rolfes	Hanson	Oliver
Feschuk	Flasch	Richards
Brockelbank		

NAYS — 13

Messieurs

Steuart	Coupland	Loken
Guy	Boldt	Grant
MacDonald (Milestone)	Gardner	Weatherald
Lane	Wiebe	MacDonald (Moose Jaw)
Malone		

Mr. J.G. Richards (Saskatoon University): — Mr. Speaker, I supported your ruling on this, would it be fair, however to ask . . .

Mr. Speaker: — A count is being taken at this time.

Mr. Richards: — In the procedural question of dealing with this matter, would it be fair that you request the Leader of the Opposition and the Premier as to whether they could agree upon a motion which they could jointly introduce dealing with the procedure to be dealt with in question period which would avoid future incidents such as this in which incorrect procedures are used to try and resolve the problem.

Mr. Speaker: — That is not the prerogative or the duty of the Chair. That is the duty of the two parties concerned through their Whips if they wish to bring in a joint motion. It has nothing to do with the Chair, the Chair abides by what the House brings in. I think the matter is closed for this time.

Mr. C.P. MacDonald (Milestone): — Mr. Speaker, perhaps it is unfortunate that in order to resolve this situation we have to challenge your ruling and, therefore, I was wondering in order to give the Assembly an opportunity not to have to challenge your ruling, I was wondering if you might give me permission to ask Members of the House by leave, that we may take on and debate very briefly this very urgent matter as to whether or not a question period can be formalized and changed and put into the official proceedings of the House. I was wondering, Mr. Speaker, if you would ask by leave of the House, if I might ask the House to debate the urgent necessity that the Members of the Opposition be permitted by the Legislative Assembly to direct questions to the Members of the Executive Council prior to the Orders of the Day for a period of not less than 20 minutes in order to attain information that is of interest to the public concerning the conduct of the Government.

Mr. Speaker: — Order! I think we discussed this principle on Monday. We have had a motion on it today on which the House sustained the rules. I think that it would be much better handled if some Member would prepare a proper substantive motion. He could then ask leave to present it forthwith, the same as we do see from time to time Bills come in and ask leave to present it that day. Maybe the House will agree, I don't know, it is not up to the Chair. But I think those arrangements have to come from the Members and not from the Chair.

Mr. MacDonald (Moose Jaw): — Speaking to your ruling, I appreciate the point you are making. With the Budget starting tomorrow and the difficulty of setting aside the Budget Debate and so forth, I was asking very substantively, Mr. Speaker, doing today exactly what you have suggested. Therefore, I have put the question that by leave, and I think, Mr. Speaker, that I have as a Member of the House, the right to ask leave of the Assembly to bring forth a special matter of which I consider of urgent importance and therefore I would repeat my request, Mr. Speaker, that by leave of the House that you ask the Members of the House if they will grant permission to debate this matter forthwith.

Mr. Speaker: — I don't think that that is in order whatsoever. It is

entirely out of order. I think the Hon. Member if he has the motion prepared, next week we can get into night sittings, our Budget Debate won't take all evening. We can get the discussion I am sure before the House. There is no substantive motion before the Speaker, and I don't see how it can be done. We've debated it twice and it has been rejected by this House.

QUESTIONS

SASKATCHEWAN LAND BANK

Mr. E.F. Gardner (Moosomin): — Mr. Speaker, before the Orders of the Day, I should like to ask a question of the Minister of Finance (Mr. Robbins). In view of the concern resulting from Press reports that this NDP Government is using pensioners' money to buy up Land Bank land, about \$43 million, which has been set aside to provide for these people in their old age, I wonder if the Minister would confirm or deny this? Is it true or not? It took several million alone to buy up the Matador ranch and set up the first collective farm.

Hon. W.A. Robbins (Minister of Finance): — It is a silly question, in my opinion, Mr. Speaker. I did answer the question yesterday to the extent that there is \$43,797,000 borrowed from the Canada Pension Fund. All provinces have the right to borrow from the Canada Pension Fund in relation to the contributions made by employees and employers within their jurisdiction. Money borrowed by individual provinces, incidentally all the provinces do this and they borrow substantial amounts for various capital needs such as power, telephones and varied other needs.

Mr. Gardner: — Apparently from that, I gather that the answer is yes. We realize they can borrow money and feel that it could be used for health or for some other more worthwhile project.

My supplementary question, Mr. Speaker, is that in view of the fact that this money is buying land for the Land Bank, the Land Bank land is not for sale, the interest rate to the farmer for rent is much lower than the interest rate that is being paid by the Government, I should like to know how does the Minister ever expect to get this \$43 million and subsequent large amounts of interest money back from the Land Bank?

Mr. Robbins: — All such loans mature within 20 years and will be paid off through the Sinking Funds of the province at that time.

PRESCRIPTION DRUG PROGRAM

Mr. J. Richards (Saskatoon University): — Mr. Speaker, I have a question I should like to address to the Minister of Health concerning the prescription drug program. I have a letter addressed to me by Mrs. Hilda Jones, a copy of which also went to the Minister, in which she had a bill for \$60.55 for prescribed medicines. Given the delays in the plan occasioned by the demands of the pharmacists for one-third increase in incomes as reported by the Minister, what progress has been made in the interim toward negotiating a

final settlement and arriving at a date at which the plan can really come into existence and effect?

Hon. W.E. Smishek (Minister of Health): — Mr. Speaker, since the meeting held by the pharmacists on February 16th, we had one meeting with the pharmacists on February 27th where their position as well as that of the Government was discussed during the meeting at that time. They have gone back to consider further some of their positions as well as ours. A further meeting is arranged with the pharmacists and Department for next week, March the 19th.

Mr. Richards: — A supplementary to that, Mr. Speaker. Can the Minister state whether the Provincial Government is in any way prepared to accommodate what I view to be an outrageous demand by the pharmacists for a one-third increase in their incomes as their price for co-operation, and has there been any indication from the pharmacists of willingness to participate at a more reasonable price?

Mr. Smishek: — At the meeting on the 27th, outside of them elaborating on their position, no new proposals were made. They certainly know the Government's position, keeping in mind that the proposals that were made to the pharmacists by the Department were as a result of joint negotiations where their negotiating committee as well as their council had totally agreed. And they so informed us. It was their membership who took a different view and really I can't tell the Member any more until perhaps the meeting of the 19th where their position might become clearer to us.

OVERPAYMENTS IN WELFARE — DNS

Mr. H. Coupland (Meadow Lake): — Mr. Speaker, before the Orders of the Day I would like to direct a question to the Minister of Northern Saskatchewan. In view of the continuing overpayments amounting to over half a million in the welfare department of DNS as reported in the auditor's report, can the Minister tell us what action he has taken to bring this blundering in his Department to a halt? It seems to me we were promised a year ago that after last year's auditor's report that he would put a stop to this.

Mr. G.R. Bowerman (Minister of Northern Saskatchewan): — There are no continuing overpayments that I am aware of as inferred by the Member. The action with respect to the audit, taking an audit in the Buffalo Narrows region, was initiated in September of 1974. I have just received the report within the last month which indicates there was action taken to correct the problem. The problem is now corrected and is moving forward in a proper manner.

Mr. Coupland: — A supplementary question, Mr. Speaker. Is the Department trying to collect this money back from the people of Buffalo Narrows, and as well will the Federal Government be sharing in this mismanagement of public funds?

Mr. Bowerman: — The federal representative of the Canada Assistance Plan was present during the audit and assisted our people in the audit which was made and also made a report. The deferral of collection is based on the individual files. May I say that the files go back into 1970 when we were not the Government and there were some overpayments being made. And that has been recognized in the report although not referred to by the auditor. There have been overpayments, overpayments were being made in 1970 and in 1971 prior to the election in 1971. All I am saying is that part of the overpayment which you refer to begins in 1970 and that is when the date of the audit began for the four-year period 1970-74. Both the provincial Department auditor, internal audits and the federal Canada Assistance Plan auditors have been involved in this. Their reports have been made.

VOTE FOR HOG MARKETING COMMISSION

Mr. J. Wiebe (Morse): — Mr. Speaker, in light of the . . .

Mr. Speaker: — We have had three questions already, are we going to permit another one?

Some Hon. Members: Yes.

Mr. Wiebe: — . . . recent auditor's report on the disgraceful and unheard of mismanagement by this Government and the members of the Hog Marketing Commission of the hog producers' money in this province, is the Premier now prepared to allow a vote of the hog producers of this province and allow the hog producers of this province to elect their own commissioners to the Hog Marketing Commission and run their own affairs?

Hon. J.R. Messer (Minister of Agriculture): — Mr. Speaker, I note the remarks made by the Member and the question as to whether or not the Government is prepared to have a vote in relation to the establishment of a hog marketing board rather than a hog marketing commission. I would suspect that producers will have ample opportunity in the not too distant future to decide whether or not they choose to follow the direction of this Government in regard to a hog marketing commission or a hog marketing board.

I do want to say in relation to the question that the Member asked in regard to the auditor's statement pertaining to the transactions and the business arrangements of the bookkeeping system of the Saskatchewan Hog Marketing Commission, there should not be any impression left that the problem involved making payments to producers or receiving money but rather in terms of recording the transactions. I think it is most important that Members of the Opposition do not mislead the people of Saskatchewan that there are shortages of monies because the auditor is concerned about the recording of the transactions only. I also want to say that it was brought to our attention quite some time ago, Mr. Speaker, and upon having the comments of the auditor brought to our attention, the Department of Finance, particularly the comptroller's office, was informed and was immediately brought into the Hog Marketing Commission to correct the problems. We are now informed that all accounts and the systems that the Hog Marketing Commission

presently uses are in order. Those reports come from not only the comptroller's office but also from the auditor himself in relation to the corrections that were undertaken since he first conveyed to us some of the bookkeeping problems within the Hog Marketing Commission.

I also want to say, Mr. Speaker, that I do not want any of the problems of the Hog Marketing Commission to be considered as problems that we were trying to keep secret from either hog producers or the people of Saskatchewan. When it was brought to our attention in 1974 I, in December of 1974, Mr. Speaker, sent a newsletter to all producers in the Province of Saskatchewan. In that newsletter I conveyed to them the problems that the Hog Marketing Commission was having and I want to quote one paragraph from that newsletter. It says, Mr. Speaker:

As one would expect the Commission encountered some administrative problems in the early months of its operation and this is not surprising. Whenever a program . . .

Some Hon. Members: — Hear, hear!

Mr. Messer: — The Members opposite make light, Mr. Speaker, but let me finish the quote before I close my remarks.

. . . of this magnitude is introduced, there are bound to be some problems in the early stages. Fortunately the Provincial Auditor has made the Commission aware of the problem areas and with the assistance of the Comptroller's Office of the Department of Finance, the situation has now been remedied.

That, Mr. Speaker, was a quote from a newsletter I sent to all producers. And producers I think at that time were not upset nor concerned about some internal bookkeeping problems that the Commission may have had.

The Members opposite make light, Mr. Speaker, of problems with a program such as the Saskatchewan Hog Marketing Commission. May I bring to their attention that in the first six months of operation that Commission issued 120,000 cheques totalling \$77 million as well as introducing a subsidy program which kept pork production in Saskatchewan at a much higher rate than in other provinces.

An Hon. Member: — Let the producers decide about the operation of the Saskatchewan Hog Marketing Commission.

Mr. Wiebe: — A supplementary question, Mr. Speaker. First of all let me remind the Minister that it is not the Hog Marketing Commission that sent out that money, it is the provincial taxpayers of this province who paid that money. It was a direct subsidy from the taxpayers. My supplementary question: going back to the fact that you do not want to hide anything, can you tell this House now exactly why Mr. Zyloway was asked to resign by this Government?

Mr. Messer: — To my knowledge, Mr. Speaker, Mr. Zyloway was asked to resign by the Hog Commission, not by myself or this Government.

GOVERNMENT MOTION

CROW'S NEST RATES

Hon. J.R. Messer (Minister of Agriculture) moved, seconded by the Hon. Mr. Wood (Minister of Municipal Affairs):

That this Assembly send the following message to the Prime Minister of Canada:

The Legislative Assembly of Saskatchewan protests suggestions by the Minister in charge of the Canadian Wheat Board that the Crow's Nest rates be discontinued and requests your assurance that this historic right of Western Canada will continue to be guaranteed by the Federal Government, and

that copies thereof be forwarded to all Saskatchewan Members of Parliament.

He said: Mr. Speaker, I don't think anyone was really able to predict with any accuracy the rapid escalation of events pertaining to the Crow's Nest rates when I introduced this motion to the fall session of 1974. Certainly, Mr. Speaker, these have in my mind the deliberate intention of undermining the retention of the statutory Crow's Nest rates.

Mr. Speaker, I had originally intended to describe the Crow's Nest Pass rates as western Canada's birthright. But upon consideration I have concluded that they are properly described as a right which has been earned by western Canada and by western Canadians themselves. Let me illustrate. Until the introduction of a guarantee of a constant tariff for grain movements, settlement in western Canada, which until that time was relatively slow, was stimulated. As the result of this guarantee, and I emphasize the word 'guarantee', Mr. Speaker, settlers were attracted to the remote prairies. The flood of immigrants from Europe, eastern Canada and the United States began in earnest. Mind you, while the rate on a bushel of wheat reduced by only 1.8 cents from Regina was relatively insignificant, the significant thing was that the rate was to be guaranteed by legislation in perpetuity.

Make no mistake, Mr. Speaker, this colonization of the West was of major benefit to the railway, to the CPR which guaranteed the rate as its part of that bargain, the bargain of producing and providing a rail network for all Canadians. In the new nation of Canada, central Canada has its tariff protection and the prospect of markets in the West. The West had its guarantees of a fixed rate in hauling its major — in fact at that time almost exclusively only — product, wheat, to market. But one must ask, Mr. Speaker, what about the railway, the CPR which had signed this agreement with the Parliament of Canada. What in fact did the CPR get for this agreement?

Well, Mr. Speaker, as I have noted, the railway I think gained a popular colony dependent upon that corporation for imports and for exports. The CPR got 40 per cent of the estimated cost of constructing the Lethbridge Crow's Nest Pass rail line — \$3.6 million in cash in 1897 in return for the guaranteed rates. This cash payment enabled the CPR to buy the Robson to Rossland railway — 270,000 acres of mineral bearing land in the

vicinity of Trail as well as a smelter in that town. All, Mr. Speaker, as a direct result of the guaranteed rate. At the same time the British Columbia Government gave the CPR 3.75 million acres in return for the construction of a line from the Crow's Nest Pass to Kootenay Lake. It is therefore no exaggeration, no exaggeration to say that the guaranteed rate to the western producer when added to the earlier mineral and land construction grants in the territories of Alberta and Saskatchewan provided the basis of the CPR's industrial empire. An empire that is still flourishing as the conglomerate CP Investments.

Mr. Speaker, for the information of the Members of this Legislature I should just like to name some of the holdings that that conglomerate now holds: Canadian Pacific Limited which is the prime shareholder of Canadian Pacific Investments, has operations not only in relation to rail and CP Air, as many of us know, but they have other operations that I think a good many Saskatchewan citizens are not really aware of under this umbrella of Canadian Pacific Investments. Operations such as Canadian Petroleum — 87 per cent owned by Canadian Pacific Investments; Cominco, as the Leader of the Opposition says; Canadian Pacific Minerals; Great Lakes Paper Company; Marathon Realty; CP Hotels; CP Securities; CP Consulting Services. They have as well Cascade Pipeline; CP Telecommunication; CP Bermuda; CP Transport; CP Ships; Smith Transport; CP Express; CP Rail. One could go on to some others that the Leader of the Opposition makes mention of such as MacMillan Bloedel. One should not assume that the CP empire has not grown because of the benefits that were conveyed to them in return for those statutory rates some years ago. It is no exaggeration to state that the original concept behind these grants was that they were to be utilized to assist in building, operating and maintaining a Canadian rail transportation system, a national transportation system, Mr. Speaker. But we have at this time to ask, what has happened to that concept? Within 20 years the CP started to complain. In 1918 a sympathetic federal government suspended the rates. They were finally reinstated in 1925 in the Railway Act, but only this time in respect to grain and flour. The railways were relieved of the major portion of the guarantee they had given only 28 years earlier in that the rates of all of the other many products moving from central Canada to the Prairies were no longer included in that statutory guarantee. Following this major concession no complaints were heard from the CPR during the 1930s. In fact, in 1937, Sir Edward Beatty, president of the Railway, described the Crow's Nest Agreement as, and I quote, "the best deal ever concluded by the CPR."

I suggest to you, Mr. Speaker, that the West is still suffering because of that changed agreement and will suffer worse if we allow those Crow's Nest rates, those statutory rates to disappear. However, by the early 1960s the CPR was well into its overt attack on the Crow's rate structure again. The Railway told the MacPherson Royal Commission on Transportation that their costs for moving grain were 27.1 cents per bushel. A decade later they told a study of the Brandon area conducted by Canada Grains Council that their costs had risen to 32.8 cents per bushel. Herein lies just part of the difficulty. The privacy, the privacy surrounding the railway costs. The railways are not required to make costing data public. Granted, the Federal Government has now prepared legislation in which they would make such data available to provincial governments, but on a strictly confidential basis, presumably if we

disagree with the costs, if we think for example that an undue proportion of grain movement costs arise from CP expenditures for such things as advertising or head office operations, we could only talk to ourselves or the Federal Government but not to the general public. I might also say, Mr. Speaker, that the Federal Government was embarrassed into passing that legislation in order to force the railways to disclose their costs, even though it is in private information to the Provincial and Federal Governments only.

At the Western Economic Opportunities Conference some 18 months ago there was a commitment, a commitment made by the Prime Minister and the Minister of Transport, Mr. Marchand, in the immediate future, if need be, to force the railway companies to disclose their costs in relation to grain handling. And 18 months later, we've only got to the point of the Federal Government introducing the legislation. And I say that the delay, Mr. Speaker, was deliberate. Deliberate so the Federal Government and the railway companies could move into this problem a series of events which contribute to the removal of the Crow's Nest rates, the major abandonment of many lines in Saskatchewan though that system may not be satisfactory to Saskatchewan or the people of Saskatchewan, more particularly the farms and the urban communities that service those farmers.

We say, Mr. Speaker, that the public has a right to know. Costs must be made available to experts so that assessments can be made of likely savings arising through possible adjustments in the rail system. We must not forget that the CPR now feels quite secure in launching a direct and, yes, a public attack on the Crow's Nest rates, because by now all of the original benefits have been safely hived off into the conglomerate obscurity of CP Investments which I referred to earlier. And the railway officials are in my mind glibly telling us, emphatically telling us that those grants are now ancient history. Well, Mr. Speaker, let me tell you and let me tell the Members to your left that it may be history but it's not ancient, it's current. And it's not an academic subject. It is the real life, a vital issue concerning the protection which was supposedly guaranteed to the western producer, the farmer, in perpetuity.

There's another facet, Mr. Speaker, to the railway's attack, a more subtle, I think an even more dangerous facet. In spite of their obligation, first by agreement and then by statutes, to move grain at Crow's Nest rates, the railways, with CP rail in the forefront, have quite simply refused to do so and we only need look about Saskatchewan in order to seek and find evidence of it.

Oh, they still, they still move it in a fashion. They do not update the equipment or buy new cars. They do not provide adequate motive power for the grain movement. They do not even repair the existing car fleet or, for that matter, the existing rail lines. And even worse, they have allowed the branch lines to fall into such a state of disrepair that they now tell us, tell us, Mr. Speaker, with absolutely no shame whatsoever, that within the next two or three years no trains will be able to run over the vast majority of them. No matter who orders them to do so they tell us that they will not be able to move grain over those rails. Consequently the community will have to change in order to satisfy their desires.

In the Brandon study I referred to earlier, the railways cited a cost of 51.7 cents per bushel in order to rehabilitate the track. That means to bring back to standard, no upgrading involved at all. And by my calculations that 51.7 cents is an average of some \$4,000 per mile, just to rehabilitate. Where have the successive Liberal Governments stood on this, Mr. Speaker? Quite simply they have, I say willingly and I say knowingly, allowed themselves to be blackmailed or perhaps more appropriately bought by eastern interests and by the tactics of the railway companies to allow these unfortunate circumstances to come about.

But I certainly do not wish to leave the impression that the Liberal Government in Ottawa has been passive about all of this. In 1969, the new Minister in charge of the Wheat Board, Otto Lang, established the Federal Grains Group, headed by Robert Shep, who incidentally was seconded from CP rail. He was joined by a Mr. Rod Bryden, who some of you may know as a one time assistant to Otto Lang and who was in fact one of his campaign managers in the 1968 election. I don't know whether that's relevant or not. But in a way, Mr. Speaker, the one important point that should be made here is that there was no or at least very little western representation on that committee. They all came from either the railway companies or from eastern interests. How could we expect such a committee to fully study or understand the problems of Saskatchewan, the problems of transportation as they relate to farmers, the problems of grain handling as they relate to the farmers, grain companies and small communities. In 1972 the Grains Group report was turned over by Mr. Lang to the Canadian Grains Council, which eventually released a State of the Industry Report. This report bore the clear imprint of the CP and Grains Group representatives, the biased interests of the railways and of central Canada. Mr. Speaker, let there be no doubt its main target was and remains to this day the Crow's Nest rates, the elimination of those statutory rates.

Let me quote from the final lines of the report on page 184 under the heading "Statutory Rates and National Transportation Policy." And I quote:

The Federal Government must come to terms with the statutory rate issue by recognizing that it is an income support measure for the producer. Its level is not in accord with the fundamental principles of rate setting. It can strain the evolution towards the least cost system for producers. The legislative approach to statutory grain is inconsistent with the approach taken to other areas of imposed public duty, such as branch lines, passenger service, and because explicit provisions are not provided in order to deal with the issue.

In so doing, the Federal Government must take heed to the principles of government assistance which are contained in certain set down guidelines. A straight subsidy will not do because such a program does not provide motivation to encourage greater efficiency in the rail movement of grain. There is no reason for us to believe that any change in regard to establishing a costing system that will come closer to satisfying the railway companies will bring about any kind of efficiency within the railway system as it is currently built today. The western grain community, for its part, must not forget that money spent

for subsidizing the railway for movement of grain is not available for other agricultural programs.

Now, Mr. Speaker, where have we heard these words before? Last fall the Minister responsible for the Canadian Wheat Board, Otto Lang, read them back to us when he spoke in Edmonton. We heard them again only a week or so ago in Regina. The same fellow in the agriculture forum in Regina telling that to us again. And it's clear that these comments are not given without a great deal of thought as to their implications. The basic premise to that report is with the rates, are they high enough? Is a least-cost system what we want to evolve? And it works in this way. If grain rates were profitable enough, the tariff on main lines could be reduced while the branch line tariff based on cost would be high thus, if we may paraphrase a colleague of the Minister responsible for the Canadian Wheat Board, the universe would unfold as it should. Well, I think we should pay particular attention to that, Mr. Speaker, because I think it relates to what they were endeavouring to do back in the late '60s with a Task Force on Agriculture report where again people were telling us that the universe would unfold as it should and that we would reduce the number of farms in Saskatchewan and in Canada by one half of what they were at that point in time, and that at all costs, at all costs setting aside social implications altogether, we will have an efficient system in the minds of the railway companies and central Canadian interests.

Now, Mr. Speaker, we have proof that there would be no evolution of a least-cost system. I say that because before the 1930s, when grain was an extremely profitable commodity, we witnessed an unprecedented rail construction program based upon the grand old principles of doing as much harm as possible to your competitor, thus CP is all over northern Saskatchewan and CN basically is over all the southern portion of the province. The State of the Industry Report is in effect school boy economics, manipulated to suit the interests of the railway companies. For decades now the railways have persisted with cross hauls of cars between Edmonton and Calgary, totalling about four million miles per year. Eliminating this would save approximately \$1.5 million a year. Such efficiencies, Mr. Speaker, are clearly the farthest things from the railway minds at this time.

I want to cite a couple of other examples. In Saskatchewan the CPR west from Saskatoon to Macklin, 160 miles and for 120 miles it is never more than six miles from the main CN line, and for about 80 miles of that 160 miles it's only two miles separating the two lines. I ask you, Mr. Speaker, if the railway companies are having problems in regard to insufficient returns for the movement of grain, why don't they undertake some policy of efficiency in amending that problem of duplication of service in that area. The CN from Moose Jaw, Moose Jaw to Regina duplicates the CP's main line. It is never more than five miles from it. Again, what kind of efficiency is this? The CN line south of Brandon from Scarth, Manitoba to Portage La Prairie, a distance of 125 miles runs for over 90 miles of that distance with only five miles from the CP's main line. But when we talk about problems and efficiencies in this system and the need to increase the freight rates on grain none of the railway companies come forward with proposals in regard to resolving the duplication of services in those areas.

In southern Saskatchewan, 2000 carloads of grain delivered to CN lines in Radville are back-hauled to Regina before going to Thunder Bay, travel of about 126 miles farther than if it goes straight to the east coast from Weyburn on a CP line rather than coming into Regina. No mention of trying to make that operation more efficient than it now is. They don't want to talk about the delay in turnaround time of grain hopper cars leaving Saskatchewan to Vancouver. The average turnaround time is 21 days. They have no solutions to that so that we should not expect that there are going to be any efficiencies in the railway system simply because we allow an increase in relation to grain to take place.

Let me just give you some other examples not directly related to the movement of grain but which show the anomalies and the inefficiencies of the railway company; in my own constituency, Tisdale-Kelsey, the community of Tisdale, in moving products from say Tisdale to some other communities, such as Montreal in less than carload lots. If we were to take, for example, the shipment of ten pieces of goods weighing 100 pounds with a cubic measurement of ten cubic feet from Tisdale to say Montreal, Toronto, Vancouver or Hudson Bay and compare the freight rates, I think that you will agree with me that there is certainly no rhyme or reason for attempts to have efficiencies built into the system. I say that because to ship those goods from the community of Tisdale to Montreal the rate is \$16.24. And again I'm not in a position to say whether that, in fact, is fair, fair to the railway companies, fair to the person who is shipping the goods. Take that product and ship it from Tisdale to Vancouver and the rate is slightly higher, \$16.85, an 80 cent increase. Now again I don't know whether that's fair but when I take the product and ship it from Tisdale to the community of Hudson Bay, both communities located in my constituency, 53 miles apart, I look at a freight rate of \$15. I say then the railway companies are treating some people unfairly. It certainly is legitimate, it's most legitimate to question whether they have any efficiencies built into that system whatsoever, because it seems completely ridiculous to me that they can move commodities from Tisdale to Montreal and Vancouver for something slightly over \$16 but to move a commodity in Saskatchewan a distance of 53 miles, they need a rate of \$15.

Let me give you one other example in regard to the shipment of commodities from the community of Tisdale and relate it to a recent rate increase by the CP and again take less than carload lots and relate to various poundages of product shipped from Tisdale to the community of Virden, Manitoba. In a 500 pound lot under the old rates the charge was \$3.02 to move 500 pounds from Tisdale to Virden. The new rate, just announced several weeks ago is \$6.99 to move the product the same distance, Tisdale to Virden, or an increase of \$3.97, or a percentage increase of 131 per cent. In 1,000 pound lots the old rate was \$2.87, the new rate \$6.59, or an increase of \$3.72, a percentage increase of 130 per cent. In 2,000 pound lots, two ton lots, the old rate was \$2.57, the new rate is \$6.17, an increase of \$3.60, or a percentage increase of 140 per cent. In 5,000 pound lots the old rate was \$2.27, the new rate is \$5.54 for an

increase of \$3.24, or a percentage increase of 144 per cent. In 10,000 pound lots (the last example I want to use) the old rate was \$1.96, the new rate \$4.97 for an increase of \$3.01 or 153 per cent increase.

Now, Mr. Speaker, I fail to see, and I believe most people in Saskatchewan fail to see, the legitimacy of the railway companies increasing freight rates by that magnitude. Certainly the businesses which depend on the movement of freight either from such communities as Tisdale and others rely on the importation of goods to those communities in order to survive. On being confronted with those kinds of freight rate increases, they have no alternative but to lock their doors.

I give those examples to you, Mr. Speaker, so that we can relate whether or not the railway companies will under any circumstances, under any circumstances work towards improving and making the rail system more efficient. Their rationale is rather that of a conglomerate. Reduce costs by eliminating portions of the operation and in this case it will be the branch lines primarily servicing western Canada, the Prairie Provinces, Saskatchewan. Therefore, the real reason the CPR is anxious to implement the State of Industry Report is so that it can then impose its own terms for branch line abandonment. They want to charge according to cost. Otto Lang says that they should charge according to cost. He agrees with that and he has attempted to accommodate them. The railways themselves have made certain costs of moving grain on branch lines and they stated in the Brandon report that it was 51.17 cents per mile, compared with 15.4 per bushel of wheat on main lines.

However, we cannot assess these costs since the details are to this date secret. But that's what the railway tells us and the Brandon Committee report. Yet, he has the unmitigated nerve (and I refer to the Minister responsible for the Canadian Wheat Board) to stand up and say that no line will be abandoned. No line will be abandoned unless the farmers decide not to patronize it. He has the gall to say that to farmers and that they will in effect have a choice in regard to whether they want to retain or allow a given line to be abandoned.

Now, Mr. Speaker, in my mind that's no real choice. That's like holding a gun to your head, because if you allow the railway companies to have flexible tariffs or flexible freight rates on all lines in Saskatchewan and you have no Crow's Nest Pass statutory rates to rely on, they will charge whatever they want. And on the lines that they want to retain they will charge a lesser rate for the movement of grain than they will on the lines that they want to abandon, and they will drive the price of moving grain on the lines that they want to abandon to such a level that farmers will have absolutely no choice, no choice but to abandon the facilities on that line and haul the greater distance to the line that provides cheaper freight rates. So there is no choice and it's an offer that the farmer can't refuse, because his only alternative is to seek whatever economies he can because of the system that has been built around him exercising an attitude not of the farming community, nor the urban communities but of the corporate conglomerate attitude of the CPR and the CNR. So that's not really a choice.

Now I can understand the railways even if I do not agree with them. They want to retain the complete control

over the corporate decisions as to branch line abandonment. And as the Crow's Nest rates are inflexible they want flexible freight rates on lines in Saskatchewan as the most effective way of doing it.

But then, Mr. Speaker, why does the Minister responsible for the Canadian Wheat Board support it? One has to ask, I think, oneself that question. I direct the question to the Members opposite, the Members to your left, Mr. Speaker. Why does a Minister of the Crown, a Federal Minister of the Crown from the Province of Saskatchewan, accept the railways' philosophy and support, in effect, the abolition of this basic right of western Canada and western Canadians?

I believe this is a fair question, Mr. Speaker. We have often heard Members of the Liberal Party, both provincial and federal, state that there is only one Liberal Party in Canada. That it speaks with one united voice. I mentioned earlier that two weeks ago Otto Lang announced that he would be campaigning for his provincial colleagues in the Province of Saskatchewan, in light of an expected election. Last week, Mr. Speaker, he renewed his attack on the Crow's Nest rates, repeating comments that he made last winter in Edmonton. That, and I quote:

A maximum charge equal to total costs, of course, to apply here as to other freight.

Well, was this the first salvo in the anticipated provincial campaign? Certainly none of the Members opposite has refused his assistance. Certainly the Member for Prince Albert West (Mr. Steuart) or the Member for Cannington (Mr. Weatherald) or the Member for Moosomin (Mr. Gardner), they haven't refused this kind of assistance. They haven't stood up and said that we in Saskatchewan disagree with this Federal Minister's attitude in regard to abandonment, massive abandonment of rail lines in Saskatchewan. We don't disagree with the removal of the Crow's Nest rates, the statutory Crow's Nest rates. They haven't said that, Mr. Speaker.

Mr. Weatherald: — You weren't here yesterday.

Mr. Messer: — The Member for Cannington says that I wasn't here yesterday and I assume that he is insinuating that they tried to make some weak-kneed stand in the Legislature that they stand for the retention of the Crow's Nest rates and they support the proposal of the Wheat Pool for high through-put elevators rather than inland terminals. The same way, Mr. Speaker, they support orderly marketing. They stand in this Legislature and they say that they support orderly marketing, but they, along with Otto Lang and the Federal Government, introduce at every opportunity factors that tear down the very cornerstone of the orderly marketing system.

Some Hon. Members: — Hear, hear!

Mr. Messer: — And they support Otto Lang when he talks about the removal of the Crow's Nest rates in the same way, by trying to convince farmers and the general public of Saskatchewan that they are not for this. But on the other hand they say yes, we are a united party; yes, we want Mr. Lang's help; yes, we want Mr. Goodale's help; yes, we want our former colleague,

Mr. MacIsaac's help in a provincial election because we are a party that stands united.

Yes, Mr. Speaker, I agree with them on that count. They are a united party and they tend to sell Saskatchewan farmers and the people of Saskatchewan short by allowing massive rail line abandonment, by allowing the establishment of inland terminals in the Province of Saskatchewan which will be detrimental to that farming community. This will in fact contribute in a direct way to the reduction of farmers in this province and the Member for Cannington has the gall to get up several days ago and say that we haven't done anything to try and correct that. I ask him, what is he doing? What is he conveying to the Federal Government and to the Minister that's responsible for the Canadian Wheat Board, Otto Lang, in regard to what his policies are going to do. What does he say about that? In fact, I asked the Member for Cannington what he has to say about a little advertisement that was put out — an ad that was put out in the last Federal election. It says: "Otto Lang has done much for Saskatchewan." There are two opposing points of view of whether it has been good or bad whatever it is he has done, but the concern that I have here is that it says: "Otto Lang can do more." And he is trying to do more right now by selling Saskatchewan short in order to gain support in central Canada for his own selfish interests.

Some Hon. Members: — Hear, hear!

Mr. Messer: — What does he say — it's not that long ago since we had that federal campaign? What does Otto Lang say here? He says:

Freight Rates — New completely overhauled system of fair freight rates based on real costs.

Now I think probably we can say he's consistent in that regard. He wasn't really explaining what he meant by fair freight rates during the federal election. But then, Mr. Speaker, he said this:

In specially designed circumstances rates at less than cost of service such as the Crow's Nest rates will still apply.

An Hon. Member: — . . . make a lot of noise.

Mr. Messer: — Sure, I would make a lot of noise too, Mr. Speaker, if I was sitting over there.

Mr. Speaker: — Order, order! There is so much noise coming from both sides from the people who are sitting down.

Mr. Messer: — Yes, Mr. Speaker, please bring them to order, because I know that they don't want to hear this. If I was there I would be very uncomfortable too. Let me quote again what Otto Lang could do for Saskatchewan, and it says:

In specially designed circumstances rates at less than cost of service such as the Crow's Nest rates

will still apply.

In other words, politically, in a federal election, because he knows that tampering with the Crow's Nest rates will not be tolerated by Saskatchewan farmers, he says: "I'm all for them." But when he gets a four-year mandate, or whatever it is he has, he then says, I think that we should lift those Crow's Nest rates. I don't think it is legitimate to try and resolve the freight rate problem as long as we have statutory rates. Mr. Speaker, the Members to your left stand behind him on the removal of those Crow's Nest rates.

Some Hon. Members: — Hear, hear!

Mr. Messer: — He goes on to say, Mr. Speaker, a specific commitment to bring about a balance in freight rates on shipments of feed grains and meat and livestock products. What has he done in that regard, Mr. Speaker?

The Member opposite, the Member for Prince Albert West (Mr. Steuart) — the new constituency of Prince Albert Duck Mountain, was complaining several weeks ago . . .

An Hon. Member: — Duck Lake.

Mr. Messer: — Duck Lake. It should be Duck Mountain. He is concerned about the closure of Burns and I ask him if he is so concerned about the closure of Burns why he didn't undertake to investigate what the new freight rates are doing in relation to shipping products from Burns to points in the Province of Saskatchewan. The evidence I gave here earlier of increases of 150 per cent or higher in shipping goods from Tisdale to the community of Hudson Bay apply likewise to the goods, the processed meats that were processed at the Burns plant in Prince Albert, and they have literally driven that plant out of the province.

Mr. Speaker, not because of provincial circumstances, but because of the actions of the Federal Minister, Otto Lang and his cohorts in Ottawa, allowing the railway companies to increase rates where they were not legitimate to have the increase take place. Well, Mr. Speaker, whatever his reasons, there is no doubt that he is clearly the principal advocate of the CPR's attempt to force their designs upon the people and the communities within the Province of Saskatchewan.

There is one more facet, Mr. Speaker, to this attack on the Crow rates which merits, I think, attention. Early in its existence the Grains Group that I mentioned earlier produce costs and designs for a grain terminal designed to handle eight to ten million bushels of grain. This concept was adopted by a group of farmers in the Weyburn-Regina area and they promoted a feasibility study. I think it is interesting to ask, who supervised that study? The answer is: the same Rod Bryden who by this time had set himself up as an economic consultant; the same Rod Bryden, originally from New Brunswick who was a law professor in Saskatoon when Mr. Lang was Dean of the College and who spent two years with the Grains Group, a supposed expert in relation to farming problems and grain movement problems in the Province of Saskatchewan. I think it is interesting to ask, who paid for that study? Well the answer is that with the assistance of Mr. Lang, a grant of some \$37,000 was made available by the

Federal Government. Incidentally, in spite of the public funds, the \$37,000 that was made available to pay Mr. Bryden's consulting firm for that information, the information to this day is still confidential. I ask, Mr. Speaker, why are public funds used to undertake a study to establish the merits or the demerits of an inland terminal in the Province of Saskatchewan, and the inland terminal is in effect underway now, and they will not reveal to the general public what that study concluded.

The terminal company, Mr. Speaker, in Weyburn, has now issued a prospectus designating a firm called Techtrol to construct the plant. Techtrol, we learned again, is a new firm comprised of a name that continues to reoccur in this whole inland terminal railway rationalization debate, Rod Bryden, and a partner, Mr. Patrick M. Foody. Mr. Foody was the principal designer of the terminal looked at by the Grains Group. The prospectus shows that \$250,000 is allocated for engineering services and \$225,000 for construction and economists' fees and costs of bonding the operation. The prospectus . . .

Mr. Malone: — It's terrible.

Mr. Messer: — The Member for Lakeview says it's terrible and I hope he listens to the sequence of events as to how one mysterious Mr. Rod Bryden emigrates from the Maritimes, is with Mr. Lang, the Dean of Law at the University in Saskatoon, is his special assistant, is with the Canada Grains Council, is given a government job to undertake a feasibility study of an inland terminal, is then in fact involved in the company that is going to build the inland terminal. I wonder if there is anything Machiavellian about those circumstances?

Anyway, Mr. Speaker, the prospectus also states that Bryden has agreed to perform and has performed certain services in the areas of establishing relations with the Canadian Wheat Board and the Canadian Grain Commission and the CPR and the private grain companies in regard to selling this terminal concept.

Now, Mr. Speaker, I think probably yes, as the Member for Lakeview says, they've got the right man for the job. His experience and relationship with the Minister in charge of the Wheat Board should be very useful in performing these kinds of services.

Mr. Weatherald: — Who's putting up the money?

Mr. Messer: — Now it would appear, I'm going to get to that. The Member for Cannington asks who's putting up the money. It would appear that Mr. Bryden has already met with some success, Mr. Speaker. The CPR has agreed to provide trackage to accommodate 105 rail cars. The terminal company will put up \$60,000 and the CP rail between \$300,000 and \$350,000. Now this is in sharp contrast to other companies building new elevators which have to provide or at least pay the full cost of sidings for their service as well as maintenance costs. But not in the case of the inland terminal, keeping in mind that the railway companies want to abandon over 6,000 miles of line in the Prairies, keeping in mind that they are subtly promoting and supporting inland terminals. They won't provide the same services to the Wheat Pool in establishing their high through-put

elevator system, but they'll provide it to establish an inland terminal which may wreck the delivery system for 50 miles around the Weyburn community. Such a structure is not viewed as profitable at this time by any grain company presently in Weyburn. Even Mr. Runciman, President of the UGG, who was a one time proponent of the inland terminal has said quite plainly, plainly that he does not think such an elevator can succeed under the Crow's Nest statutory rates.

Another factor, Mr. Speaker, no similar structures are being built in the north central United States, even in the corn belt, yet the terminal proponents say that they are building this high through-put inland terminal on the basis of terminals in the northern and central United States.

Let me simply say that the terminals that are established in North Dakota do not handle anywhere near the eight to ten million bushels that the Weyburn terminal is proposed to handle, they handle at the most three to four million bushels. They do not, Mr. Speaker, clean the grain in the terminal operations in North Dakota. They make reference to the terminal operations that are located in the central United States, Iowa or Kansas or Colorado and the circumstances there are vastly different even though the terminals perhaps have the eight to ten million bushel capacity.

The two major differences are, Mr. Speaker, they are growing both spring and winter wheat crops, as well as hybrid corn and the yields not uncommonly are in excess of 100 to 150 bushels of hybrid corn. Therefore the region that they draw the grain from is probably only fractional in comparison to the region that you have to draw from in order to support a terminal such as the one being proposed in Weyburn.

The other most important factor is that they do not rely on handling charges to arrive at a net profit after underwriting their costs of operation and depreciation. Their profit comes from the open market system, from the purchasing of grain and hedging and/or selling at a higher price. That's why the terminals in the central United States are able to make a go of it. This is why they are feasible. I have to ask you, Mr. Deputy Speaker, as to whether or not some people know something that most farmers and the Government of Saskatchewan don't know. And that is that there is some deal, some commitment being made that not only are the Crow's Nest rates going to go, but the rest or the remainder of the orderly marketing system is also going to go, so that we find ourselves moving grain in Saskatchewan in an open market system and these people, these friends of the Federal Government and the Members who sit to your left are in on the early stages to establish terminal operations which would then be highly successful, but successful at the expense of Saskatchewan farmers and Saskatchewan people.

Now, Mr. Speaker, the Member for Cannington has asked, where the money is going to come from.

Mr. Weatherald (Cannington): — Mr. Speaker, on a Point of Order. I have not entered this debate, so I bring to your attention that until I enter the debate, on my Point of Order, until I enter the debate, then I don't think that anything I have referred to is a subject for debate.

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Mr. Messer: — Mr. Deputy Speaker, I would ask you that you tell him then to keep his mouth shut when he is sitting in his seat.

Some Hon. Members: — Hear, hear!

Mr. Messer: — He's been continually on a Point of Order, Mr. Speaker, he's been continually harping away during this whole debate.

Mr. Deputy Speaker: — Order! I recognize the Member for Cannington.

Mr. Weatherald: — . . . Minister of Agriculture is an outright liar most of the time.

Mr. Deputy Speaker: — Order!

Mr. Messer: — Mr. Speaker, I demand a withdrawal of that.

Mr. Deputy Speaker: — Order! I am going to ask the Member for Cannington to withdraw that remark. I think the Hon. Member knows that you can't call another Hon. Member a liar in this House. I'm going to ask him to withdraw.

Mr. Guy (Athabasca): — Mr. Speaker, on a Point of Order, before you ask the Member for Cannington to withdraw, that you should make a ruling on the Point of Order which the Member for Cannington raised. He made a very important Point of Order about whether the Minister of Agriculture has the right to refer to remarks that he has not made in this debate and he keeps referring to those remarks, he told him to sit down and shut up and asked you to do so, and I think those remarks should be withdrawn before we consider any remarks that have been made by the Member for Cannington.

Mr. Deputy Speaker: — Order! Order! I'm going to ask, order! I think the House recognizes that when the Speaker is on his feet that all Members should return to their seats. I didn't consider the Member for Cannington's Point of Order, I thought it was a debating point and I'm going to ask the Member for Cannington to withdraw his accusation.

Mr. MacDonald (Milestone): — Mr. Speaker, on the Point of Order, if you will permit a Minister of Agriculture to stand up and agitate in this House and tell somebody to shut his mouth and you sit there and say absolutely nothing and then not expect the Member for Cannington to stand up and defend himself, he's been peddling garbage and he's been misrepresenting the truth and that's all the Member for Cannington referred to.

Mr. Deputy Speaker: — Order! I don't consider that a Point of Order. I'm going to ask the Member for Cannington to withdraw his accusation.

Mr. Guy: — Mr. Speaker, on a Point of

Order, are you also going to ask the Minister of Agriculture to withdraw the remarks that he made regarding the Member keeping his mouth shut when he has not entered this debate?

Mr. Deputy Speaker: — As far as I understood the Minister of Agriculture his remarks were quite in order.

Some Hon. Members: — Hear, hear!

Mr. Deputy Speaker: — Order! I'm going to ask the Member for Cannington to withdraw his remarks.

Mr. Guy: — I think, Mr. Deputy Speaker, that perhaps the Speaker should be brought into the Legislature in order to bring some order because if we are going to allow it to deteriorate for all Members to speak across the chamber and call each other liars and to shut up and sit down then someone had better come.

Mr. Deputy Speaker: — The Member for Cannington is aware of the alternatives available to him, I am asking him to withdraw his accusation with respect to the Minister of Agriculture. I'd like to caution the Member for Cannington that failing to do so would result in his being named in this Legislature, so I am asking him once again to withdraw his accusation against the Minister of Agriculture.

Mr. Weatherald: — Mr. Speaker, I will withdraw the word 'liar' as an accusation against the Minister of Agriculture, but at the same time he is well known as being a fantastically adequate person at misrepresenting the facts throughout the Province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Deputy Speaker: — He has withdrawn the accusation. I recognize the Minister of Agriculture.

Mr. Gardner (Moosomin): — On a Point of Order. You still haven't dealt with the comments made by the Minister of Agriculture when he very rudely shouted across about someone shutting up. This is obviously unparliamentary. The Member for Cannington has done as you suggested and withdrawn. You haven't dealt with the comments made by the Minister of Agriculture. Are you going to deal with those or not?

Mr. Deputy Speaker: — Comments that the Chair will recognize are those comments made by recognized speakers. Now there's quite a large amount of informal and unofficial debate going on while certain speakers have the floor. I didn't recognize any comments made by anyone unless they were recognized by the Chair first.

Mr. MacDonald (Milestone): — Mr. Speaker, on the Point of Order, surely you're not going to suggest that Mr. Messer, the Minister of Agriculture, was not on his feet and not the official speaker when he shouted across, "shut your mouth," which agitated the Member for

Cannington to respond in the fashion that he did and if you're going to suggest that you only recognize the official speaker, then recognize the official speaker and don't recognize that one.

Mr. Deputy Speaker: — Order! At the time the Minister of Agriculture was on his feet I was dealing with a Point of Order from the Member for Cannington. Order! I recognize the Minister of Agriculture.

Some Hon. Members: — Hear, hear!

Mr. Messer: — Mr. Speaker, I think the old adage that the truth always hurts is certainly proven here this afternoon.

Some Hon. Members: — Hear, hear!

Mr. Messer: — Do I have the floor, Mr. Speaker? The reason I made the statement to the Member for Cannington when I had the floor was that I assumed the democratic procedure of this House was that when a speaker had the floor other Members should have the courtesy to sit back and listen and that certainly wasn't being exercised by the Member for Cannington, it never has been and I hope perhaps he will now pay some attention to the decorum and to the rules and procedures of the House.

Now, Mr. Speaker, I'm introducing a resolution in relation to the Crow's Nest rates. The facts that I use here are a matter of record. They can find them in Hansard when and if they want to participate in the debate and I stand behind every statement that was made as being factually true and sound.

Some Hon. Members: — Hear, hear!

Mr. Messer: — I invite them, Mr. Speaker, I invite them if they are insinuating that they are lies that they prove them then to be lies in the House, rather than make accusations either here or in the country, that the facts and the statistics that we give when we build our case against the illegitimate abandonment of railway lines, the removal of Crow's Nest rates, the establishment of inland terminals, as being justifiable.

Mr. Speaker, there have been people who suggest that the entire funding of the Weyburn inland terminal is going to come from that area and/or private financing. And to those people I would like to convey the fact that there is going to be a regional loan provided, provided they raise the \$1.6 million.

Mr. MacDonald: — On a Point of Order, I would like the Minister of Agriculture to substantiate that. It isn't a loan and he knows it.

Mr. Speaker: — Order! Order! That is not a Point of Order, that's a matter of a debating point and this Motion will not be closed so people have a chance to debate it.

Mr. Messer: — Like the Member for Pelly (Mr. Larson) says they are

really smarting. If he'd allow me to finish the debate then he can participate in it and I invite him and I hope he does participate in it.

If the terminal group are able to raise, I believe their \$1.6 in shares, the Federal Government through the Department of Regional Economic Expansion will guarantee a loan. Will guarantee a loan of \$3 million.

Mr. Speaker: — Order! Order!

Mr. Messer: — Apparently there is some difference of opinion here. The Members over here are clapping saying that's accurate, the Member for Lakeview (Mr. Malone) doesn't know what he's talking about.

An Hon. Member: — They are weaseling on you now.

Mr. Messer: — I'm not weaseling. Mr. Speaker, do I have the floor so I may continue?

Mr. Speaker: — Order! Will the Hon. Members please obey the decorum of the House and let the Minister finish his speech and other Members can come back and prove the other side of the argument which they may have at their disposal at that time. I think we cannot go on with this fighting back and forth. If a Minister is not presenting the full facts, it's up to other Members to prove that the facts are not correct and an opportunity will be given.

Mr. Messer: — Mr. Speaker, we'll be more than happy to have them participate in the debate, because I know that all farmers in Saskatchewan are anxiously awaiting the explanation of the Liberal Members and the Liberal Party in Saskatchewan as to where they stand in relation to these most serious matters, because up to this point in time, I say they have been taking the best of both worlds by telling us they disagree, that they disagree with the removal of the statutory Crow's Nest rates, but at the same time advocating and supporting the point of view of the railway companies and the Minister responsible for the Canadian Wheat Board when they suggest that they should be removed. The sooner these Members stand up and say whether they are for or against the continuation of those Crow's Nest rates the better it will be for Saskatchewan farmers and the general public of this province.

The Member from, I don't know where he's from right now, attempting to run in Rosthern says, sit down. I'll sit down when I feel that I've finished the debate and then you can have the floor if you care to have it.

Mr. Speaker, I am convinced that the position taken by the CPR supported by the State of the Industry Report and supported by the Minister responsible for the Canadian Wheat Board and aided and encouraged by the inland terminal system all point to a program whose natural result is the early removal of the Crow's Nest rates. I'm convinced that the main reason for seeking abandonment of rates is to allow the railways to impose

rail line abandonment as they see through a variation of tariffs system. Such a method would effectively remove from communities and those affected their rightful and legitimate rights under existing legislation to argue for the retention of their line.

Mr. Speaker, last week the Premier released a report by Harold Horner, Executive Adviser in the office of grain handling and rationalization. It points to many necessary changes in the rail system. The elimination of the duplication within the system and the duplicate lines, the exchanges of running rights, and their merits and benefits, new connecting trackages and massive rehabilitation of lines.

I say that the Members to your left, the Opposition in the Provincial Legislature in Saskatchewan should take the time to read this document so they can study some of the legitimate facts and some of the legitimate figures that I think have to be understood before any kind of true and beneficial rationalization of the system can be carried out.

So, Mr. Speaker, I say let's get on with the task. Let's build, not destroy. And when I say that, I know there is going to be some rail line abandonment, there is going to be some change in the present grain-handling system. But it's essential in the interests of farmers, in the interests of local communities in Saskatchewan and our rural social structure that we object, object as strenuously as possible to the suggested removal of the Crow's Nest rates.

I think, Mr. Speaker, it's legitimate to say that the Federal Government must take the lead and I therefore ask them in the interests of western Canadian farmers, in the interests of those hundreds and thousands who are members of a unique and I think precarious rural social structure, to confirm the historic Crow's Nest rate structure.

Last October Mr. Lang and two Federal Cabinet colleagues addressed a provincial Liberal fund raising dinner in Regina. At that time he said:

Speaking as a Saskatchewan Liberal we would be best off bringing Dave Steuart back into office.

I notice the Leader of the Opposition is back. He then stated:

In such a circumstance there would be partnership between the Federal Liberal Government and the Provincial Liberal Government.

Now, Mr. Speaker, I ask you, who would be better off? Who would be better off with that kind of partnership? The railway companies?

Mr. Steuart: — The people!

Mr. Messer: — The people, the Leader of the Opposition says. Would the people be better off? Would the railway companies be better off? Or would the private grain companies be better off? Who?

Well, Mr. Speaker, with the kind of announcements that the

Federal Minister, Mr. Lang, has made in relation to not only rail line abandonment but Crow's Nest rates, I say that the people of Saskatchewan would not be better off, because they would be subject to the rationalization of a system that they had absolutely no input into whatsoever. I can assure you, Mr. Speaker, that as long as this Government is in power, there will be no such partnership to reach those kinds of conclusions. I call upon the Members opposite and in particular the Leader of the Opposition to disavow this partnership that apparently some people speak of in regard to promoting the removal of the Crow's Nest Pass statutory rates, so that we will have some retention of security for Saskatchewan farmers in relation to fair and realistic freight rates to move their grain to the east and west coasts.

Mr. Steuart: — . . . right now.

Mr. Messer: — The Leader of the Opposition will have his opportunity to debate. He has been trying to straighten out people in the Province of Saskatchewan for a number of years now. In fact it was that attempt that took him from the Treasury Board benches over to the position to your left, Mr. Speaker.

Mr. Speaker, I therefore urge that our objection be registered as soon as possible and that this House unanimously go on record as seeking the assurance of the Prime Minister that the Crow's Nest rates will in fact be retained and maintained.

I therefore move this Motion.

Some Hon. Members: — Hear, hear!

Mr. E.F. Gardner (Moosomin): — I am sorry to hear that the Minister lost his cool to such an extent, that he moved second reading of a resolution. I don't know how correct that is, but he'll have time to think that over.

I had intended to make some notes on his speech but I found that it was a rehash of old oft-repeated arguments. He had no new ideas and certainly no provincial policy.

He did get into rail line abandonment, Mr. Speaker, and for the first time I believe the NDP came close to designating some lines that they want abandoned. We have been after them to do this for a long time. The Minister did list several lines, line after line that he thought should be abandoned because they were running parallel to some other line. At least we are getting someplace if we can get an indication of the lines that they want abandoned. He suggested more rail line abandonment there this afternoon, Mr. Speaker, than the Liberal Party has in the last ten years.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — He also talked of some rate inequities and of course this is something that everyone agrees with. I should like to point out that if the NDP Government is losing ground as he suggests on the freight rate issue that perhaps we need a provincial government here that can sit down and do something about it.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — He also mentioned the election and some of the issues. We perhaps should like to ask him what happened in the 1974 federal election. We should like to know where Mr. Burton is, Mr. Gleave, Mr. Knight and so on. I suppose Mr. Burton — I don't think they all wrote his speech. They did campaign on the same issue as he was raising in the speech. Of course they were wiped out. Qu'Appelle-Moose Mountain is a good example of what happened at that time. I might remind you that it consists of the provincial constituencies of Cannington, Moosomin, Estevan and Qu'Appelle-Wolseley. For the first time in history, in 40 years every election, federal, provincial, by-election, anything else the NDP have had 28 to 30 per cent of the votes. There is a hard core of people in that federal area that always voted 28-30 per cent NDP. But in 1974, Mr. Speaker, for the first time the NDP vote was down to 21 per cent in that constituency in the federal election. Even the old hard core was chipped away at that time and now the Minister is getting up and campaigning on the same type of information.

His speech was made up of rumors, garbage and innuendoes. We could give many examples of this, but one was brought to the attention of the House where he made a statement saying that the Federal Government was lending money to the terminal at Weyburn. When we checked him on this, he got back up and said, well he believes DREE is backing the loan for these people. It wasn't really a Federal Government loan after all. This is just an example of the type of thing that he was trying to promote during his rather lengthy speech.

Mr. Speaker, I rise to speak on this Motion and my first impression is that the Motion is clearly out of order. It should have been ruled out of order because it is argumentative. I have heard no suggestion by the Minister in charge of the Canadian Wheat Board that the Crow's Nest rates will be discontinued as is suggested in this resolution. I have seen no evidence indeed that he ever made such a suggestion. We are dealing here with statements by the mover of this Motion which are perhaps a figment of his imagination or perhaps he is basing them on some evidence I don't know. Mr. Messer said something about support, in effect. He changed his tune several times during his speech.

First I should like to make my position clear and the position of the Members on this side of the House on the Crow's Nest rates. I am not going to beat around the bush like the Minister of Agriculture. I am going to make the position clear and brief.

First, I am absolutely opposed to the Crow's Nest rates being discontinued. I want the Crow's Nest rates maintained, I want no change in the Crow's Nest rates. They are the basic right of the western farmer and they shouldn't be interfered with by anyone. Farmers are entitled to these rights for a number of reasons. The Minister went into some of them. One of the favorite things that politicians in Saskatchewan have done over the past 50 years is to damn the CPR. This is something that is popular with everybody. I don't want to be outdone by an amateur like the Minister of Agriculture. I am going to make a few comments on this myself.

His arguments regarding the holdings of the CPR are probably correct. They have been well publicized, they have been repeated over and over during the years. Nobody is denying this. This is simply a rehash of old arguments which we basically agree with. In fact, as a farmer, I believe that the CPR owns some mineral rights on my land that should belong to me. Perhaps I should write to the president of the CPR and tell him that if he gives me back my mineral rights, I'll give up my rights to the Crow's Nest rates on the grain that I sell for export market. I don't think the president of the CPR would make that deal.

A strange thing about Mr. Messer's speech is he kept damning the CPR. I have noticed this on a number of occasions, they are suggesting nationalization. They seem to omit the CNR which is already owned by the Government, where our situation on service is certainly no better.

I have made, I believe, our position very clear as far as the Crow's Nest rates are concerned. We are absolutely opposed to any change in the Crow's Nest rates. However, we have to realize that the Crow's Nest rates have been the cause of several problems for the Prairies. Several serious problems.

1. Low rates on grain out of Saskatchewan have caused great difficulties for cattle feeders in Saskatchewan. The Saskatchewan feeder is far from the markets, he is competing with eastern feeders who have the advantage of being close to the large markets and who are benefiting from low rail rates on feed grain. Cattle should be fed on the Prairies and on this point, Mr. Speaker, I should like to say that I don't agree with the statements attributed to Mr. Horner, who is the right hand man of the Minister of Agriculture in this regard when he was speaking to the NFU meeting in Winnipeg, reported in the Western Producer, December 19, 1975, where he is suggesting that perhaps we shouldn't be feeding cattle at all. This is what he says in this report, that higher rates would encourage the feeding of grain to livestock on the Prairies, at a time when this method of protein production is being viewed as wasteful.

Now here we have a situation where the livestock producer and feeder in this province is in dire straits and dire circumstances and we have a gentleman like Mr. Horner, and I presume he is speaking for the Minister of Agriculture, saying that we shouldn't be feeding this grain to the livestock because it's a wasteful way to handle protein and I hope the farmers and the cattle people in this province will take note of that.

However, in this regard the problem of the rates on grain and cattle and beef out of the province, the answer is not to quit raising beef and the answer is not to change the Crow's Nest rates. The answer is to have the rail rates lowered on meat shipped out of Saskatchewan. I think this is the obvious thing that should be done. In other words what should be done, we should have the benefits that we now enjoy from the Crow's Nest rates apply also to meat so that cattle producers and feeders can compete more fairly with eastern feeders and this is basically the answer to the problem.

2. We have the problem of low rates on grain out of Saskatchewan and high rates on finished products that have posed great difficulties for people who want to process rapeseed or

barley in Saskatchewan. Because of this our secondary industry is suffering. We have no malting barley industry in Saskatchewan. A rapeseed crushing industry is at a disadvantage.

But again, Mr. Speaker, I should like to emphasize that the answer to this problem is again not to touch the Crow's Nest rates, but to extend the benefits of the Crow's Nest rates to finished products of the grain processing industries on the Prairies. In this regard we have made our feelings known to federal officials on a number of occasions and I am going to say, Mr. Speaker, that we are going to continue to make our feelings known in a most determined manner to the people in Ottawa.

Present benefits of the Crow's Nest rates must be extended to include other products. You know, Mr. Speaker, we are having here a non-debate on a non-issue. Farmers have made it clear that they don't want to discuss changes in the Crow's Nest rates. I don't think anybody is going to argue with that on either side of the House. I am also sure, Mr. Speaker, that it's not the policy of the Federal Government to discontinue the Crow's Nest rates. So why should the Minister of Agriculture waste the time of this Legislature by introducing such a nonsensical motion? Number one priority after all the time this House has been out, he wants to talk about the Crow's Nest rates. You know, I suppose it's like a resolution suggesting that we're all in favor of the sun rising tomorrow morning. Everyone is going to agree. It is something to talk about to divert our attention from some of the real and serious problems facing agriculture in this province.

You know, the Minister would like to talk about Crow's Nest rates and some mythical changes that he thinks somebody suggested. He doesn't want to talk about the 28 per cent drop in hog production in Saskatchewan in the past year. He's hoping the farmers will forget about that. He doesn't want to talk about the desperate situation of the cow-calf operator. His department is responsible for the cow-calf people in this province and they have done absolutely nothing to improve their lot, but Mr. Messer doesn't want to talk about that, he wants to talk about something else.

The mess that he made of the cash advance program for calves, and the 14 per cent interest rate that he is going to charge these hard pressed young farmers if they happen to be in default of the loan or the advance that they got from his Department of Agriculture. These are the things that he doesn't want to talk about.

You know he also would like to ignore the strikes which have tied up our grain shipments almost continually in the past year. Strikes which are ruining our reputation as a reliable supplier of top quality grain and really this is the biggest single problem threatening the relatively good times being enjoyed by the grain farmer. I'd like to tell him that the union bosses have caused these strikes, are friends of the NDP and Mr. Messer should be talking to them. He doesn't want to talk about that, he wants to talk about Crow's Nest rates or the sun coming up tomorrow morning or something else.

The Minister also doesn't want to talk about the Land Bank. He would rather sweep that under the rug, and hope that for the next three months people don't think about the Land Bank

or the \$43 million of pensioners' money that has been taken by the NDP Government to buy land for this socialist state. He is hoping they don't talk about that at all. He doesn't want them to talk about the high cost of barbed wire, or baler twine or other farm inputs. He doesn't want to talk about the NDP responsibility for a 50 per cent rise in the price in farm fuel to farmers in the past two years. He would rather divert the attention of the farmer to some non-issue, so that the farmers will forget the mess he has created in his own department and by his own policies.

Mr. Speaker, my concern with this particular motion is not with the statements alleged to have been made by the Minister in charge of the Wheat Board. I really have no knowledge of these statements and I believe that this is not the problem. However, the matter of Crow's Nest rates is a serious concern to farmers. A very serious concern. I would be very opposed to a suggestion such as is referred to in this Motion by anyone. I don't care whether it comes from a federal minister, a provincial minister, head of some farm organization, grain company official, railroad official or anyone else. I don't want anyone suggesting that the Crow's Nest rates be discontinued. You know this can happen. Someone of the above people may suggest this discontinuance of the Crow's Nest rates next week, or next month. This would be rather unfortunate. No one should suggest the Crow's Nest rates be abolished. The Motion therefore, as it stands, is not adequate. In voting for or against this Motion we have a classic example of the old unanswered question, "Have you stopped beating your wife?" Of course you can't answer yes or no. The Motion should be amended, Mr. Speaker, to more clearly express the wishes of the farmers of Saskatchewan, of the Liberal Party of Saskatchewan and I hope also the NDP of Saskatchewan. We should have a motion that very clearly expresses the wishes of everyone. We all have many important issues to discuss and we must make our feelings very clear on the Crow's Nest rates.

Therefore, Mr. Speaker, I'm going to propose the following amendment which I am quite confident will be supported by all Members of the Legislature. I move seconded by Mr. Weatherald (Cannington):

That the words "the Minister in charge of the Canadian Wheat Board" be deleted and the word "anyone" substituted therefore.

This then, Mr. Speaker, would make the motion read:

The Legislature Assembly of Saskatchewan protests suggestions by anyone that the Crow's Nest rates be discontinued and requests your assurance that this historic right of Western Canada will continue to be guaranteed by the Federal Government.

And so on. This is the amendment that I have to the Motion, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, I should like to direct a few remarks to this debate. I want to discuss some of the comments that were made by the Minister of Agriculture. The Minister of Agriculture

talks about supporting orderly marketing. He's right when he says we don't support his kind of orderly marketing. He's absolutely right. We don't support an orderly marketing system which gives the Government of Saskatchewan the power to institute a marketing board for any product without any of the farmers consenting. We don't support that and I'm very pleased when he talks about us not supporting his concept. And I say 'his concept' because it isn't shared by most of the farmers in Saskatchewan about orderly marketing. His concept of orderly marketing is for the Government to take over everything and not let the farmers run anything and we don't support that type of orderly marketing. I'll tell him, Mr. Speaker, that we very much support the marketing system as put forward and through the Canadian Wheat Board and there has never been any question or any doubt about that particular position.

I want to talk about his Family Farm Protection Act. What a great Act that was! This Minister of Agriculture's record. He took a shot at every Credit Union and every small implement dealer in Saskatchewan and let me tell him, they haven't forgotten it either. Let's talk about his Foreign Ownership of Land Act. Let's talk about that one, Mr. Speaker, where he talked about everyone outside of Saskatchewan was a foreigner. Let's talk about his record with the Hog Marketing Commission, Mr. Speaker. If the Minister of Agriculture wonders why I oppose him, I can't find any good reason hardly ever to agree with him.

Now I want to talk, Mr. Speaker, about the Crow's Nest rates. I want to talk about the Crow's Nest rates because there's never been any question about the fact that we supported the Crow's Nest rates and I want to say that the reason I say the Minister of Agriculture uses untruths is because apparently the Members opposite haven't got open enough minds to take it, to take the word of a Cabinet Minister when he says it is possible to discuss something. It is possible to discuss something but not with the NDP, not with the NDP. I guess the mistake made by the Minister in charge of the Canadian Wheat Board was that he didn't realize the NDP were so people minded that they couldn't even talk about anything. So people minded that they couldn't even talk about something. Now, Mr. Speaker, I am giving them the benefit of the doubt when I say 'people minded' because what I should be using are a lot stronger words. What I should be using are a lot stronger words than 'people minded'.

Some Hon. Members: — Hear, hear!

Mr. Steuart (Leader of the Opposition): — Go ahead, Tom, you have nothing to lose.

Mr. Weatherald: — Well, I've had to withdraw one of them already.

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — Even if it was right. Now, Mr. Speaker, I just want to say before adjourning this debate that the Minister, he gets up and he talks about changes in freight rates and again misconstrues everything that's possible. I want to read a short piece from yesterday's Leader-Post because his concept of the recent federal freight rate changes just doesn't seem to be

quite the same as what Peter Lougheed's are, and I might say that Mr. Lougheed is running for re-election and apparently it hasn't been so bad or the campaign hasn't gotten to him to such an extent that he still doesn't, isn't able to go ahead and tell the truth. Peter Lougheed, well they're doing . . .

Some Hon. Members: How are the Liberals doing?

Mr. Weatherald: — Well they'll probably do about the same as you fellows did. You fellows haven't even got a national leader.

Some Hon. Members: — Hear, hear!

An Hon. Member: — Send the man out and look for a leader for your national party if you have one, that is.

Mr. Weatherald: — Well, Mr. Speaker, I want to read you just a note from what is probably the truth of the matter as far as what the Premier of Alberta says. Both Premier Lougheed and I might even agree with the Minister of Industry, Leonard Evans, who described the accord of freight rates as a major breakthrough. Now we have one NDP and one Conservative say that, one in Manitoba and one in Alberta. Mr. Lougheed went on to say that the proposed changes legislated by Ottawa will ensure across-the-board freight rate increases just experienced and which are borne basically by western manufacturers and shippers will not occur again.

Mr. Lougheed said another positive development affecting his government's aim to increase industrialization in rural areas was the concept of giving smaller areas freight rates identical to nearby larger centres. Under the proposals the shipping rates would be equalized for the smaller community. In Alberta's case the Premier said these will strengthen the province's opportunity for small business development and improve their competitive position. Now I don't want to read the whole article, Mr. Speaker. I think it's available to everyone but I think that if I accuse the Minister of Agriculture of not telling the truth it's probably because other people who are impartial people and apparently able to put aside some political differences and able to give an honest impression of what is happening have done so and unfortunately we find too often that this is not the case here.

Now I want just to put on record as to what my own opinion is and our party's opinion of the Crow's Nest rates which was already ably put forward by the Member for Moosomin (Mr. Gardner). And that is that the Minister in charge of the Canadian Wheat Board requested that a discussion take place regarding our transportation system in western Canada. Obviously our transport system is not in as good a shape as we would like, and that the Crow's Nest rates be discussed. Now it appears and I think that is accepted basically by everyone that during the discussion the Alberta Government has said that they stand for the maintenance of the Crow's Nest rates. The Provincial Government in Saskatchewan has said they stand for the maintenance of the Crow's Nest rates and the Provincial Government in Manitoba has said that as well. All major farm organizations to my knowledge, in Alberta, Manitoba and Saskatchewan, have said they stand for the Crow's Nest rates to be maintained. So I would

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suggest when we have Members opposite trying to misconstrue what is being said that they are being very, very politically dishonest.

An Hon. Member: — You're on the hook, Tommy.

Mr. Weatherald: — I'm not on the hook very much because you can't even find a candidate in my constituency to run so . . .

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — . . . I think what you're going to do is get Jim Eaton to resign and come running, is that it? Anyway, no, you haven't got a candidate.

Some Hon. Members: — Hear, hear!

An Hon. Member: — Oh, I'm sure you will, I'm sure you will.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order! I don't think that's in the Motion.

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — I don't either but I think the record in the last Federal election in that area was about 15 per cent of the popular vote so I can see why they haven't got anybody. Now, Mr. Speaker, I want to make a further comment on this Motion so I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

HON. J.R. MESSER (Minister of Agriculture) moved second reading of Bill No. 24 — An Act respecting Payments to Farmers who use Fuel Petroleum Products in their Farming Operations.

He said: It's my day, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Messer: — The Leader of the Opposition (Mr. Steuart) said, and I don't know whether he said he wanted to hear something about Otto Lang or not to hear anything about Otto Lang but according to the Press, Otto Lang is minister of everything so it's hard for us not to deal with something without having to relate in some way to Mr. Lang and his all encompassing position in the Federal Cabinet. But I don't think he has much to contribute directly to the merits of the second reading speech which I'm going to give, Mr. Speaker. And it is with pleasure that this afternoon I speak to this Bill, the Farm Cost Reduction Act, 1974 which will establish this Government's reduction program. The program is one part in a broader package designed to shelter the Saskatchewan consumer from the increase in the price of fuel brought about by higher pricing of crude oil in this

province and in Canada.

I would like to review the recent chain of events occurring in the crude oil market. Last year the Middle East oil producing countries raised the royalty on crude oil and as a result the world price of oil rose from about \$3.80 per barrel to about \$11.70 per barrel. The effect of this was to raise to this level the value of all oils produced in the world regardless of the actual production costs involved. And it is the position of this Government that the windfall profits accruing from the increase from the price of Saskatchewan crude oil should benefit the people of this province, not the international oil companies. To fulfill this policy we introduced, during the last session, the Oil and Gas Conservation Stabilization and Development Act. Last spring an agreement was reached by the provinces and the Federal Government to establish a Canadian price for crude oil, significantly below the world price. At that time the price level was established at \$6.50 per barrel. As major crude oil producers, Saskatchewan and Alberta are now subsidizing petroleum consumers in Canada to the amount of about \$5.20 per barrel. That is the difference between the world price and the price our oil receives in Canada. Annual crude oil production in Saskatchewan is in the order of 80 million barrels. This compares with a level of consumption of some 20 million barrels. This leaves 60 million barrels which are being sold at \$5.20 per barrel under the world market price. Simple arithmetic tells us that this represents \$312 million a year in revenue which the people of Saskatchewan would under normal circumstances receive, but that is now being transferred instead to the Canadian people.

During the debate last year regarding the Oil and Gas Conservation Stabilization and Development Act we indicated that the natural advantage Saskatchewan has as an oil producing province should be reflected in the prices which our consumers pay for their petroleum products consumed in this province. Accordingly, following the announcement of the agreement to pay Canadian domestic oil prices at \$6.50 per barrel this Provincial Government announced additional measures to shelter the Saskatchewan consumer from the increase in the price of gasoline brought about by the increase in the price of crude oil in general. It has been estimated that the increase from \$3.80 per barrel to the approximate \$6.50 per barrel should raise the price of petroleum fuels by about nine cents per gallon available for this purpose. This Government felt that a more significant effort should be made. Effective May 15, 1975, the tax on gasoline sold in Saskatchewan was reduced from 19 cents per gallon to 12 cents per gallon, a reduction of seven cents per gallon at the pumps. Each year in this province some 271 million gallons of gasoline are consumed. The cut-back of this tax was estimated to reduce the cost of gasoline to Saskatchewan consumers by approximately \$19 million. This reduction combine with the transfer of three cents per gallon from the AAIA fund brings the total reduction of gasoline, the gasoline tax to ten cents per gallon. The effective tax rate on gasoline then becomes only nine cents per gallon, this making Saskatchewan's effective tax rate of gasoline virtually the lowest in all of Canada.

On May 15, 1974, we also reduced the tax on diesel fuel from the 21 cents per gallon to 16 cents per gallon. This year it is expected that 45 million gallons of this diesel fuel will be consumed in Saskatchewan. This tax reduction is estimated

to reduce the revenues accruing to the province from this tax source by over \$2 ¼ million. Now, Mr. Speaker, the date of May 15 was selected as the commitment date for these tax reductions since the Federal Minister of Energy, Mines and Resources had requested that the oil companies not raise their retail prices for six weeks after the agreement on the Canadian price of crude oil was made. It was estimated that it would take that much time for the inventories, the present inventories of gasoline and other fuels produced from the lower cost crude to be depleted. For the companies to do otherwise would have resulted in unjustified windfall profits accruing to them at the expense of the Canadian consumer.

While these elective tax reductions have been of benefit to those users of taxable gasoline, they would have done little for the members of our farming community who, in effect, used tax free fuels for their farming operations. These farmers would be faced in their farming operations with carrying the burden of the full nine cents per gallon increase in farm fuel prices resulting from the increase in the crude oil price from \$3.80 per barrel that I mentioned to the approximate \$6.50 per barrel which is now applicable. The price of fuel is even more important to farm families than it is to other citizens. Not only are they required to travel greater distances to obtain goods and services but the fuel consumed in their farming operations is in fact necessary to retain their livelihood. While other individuals may reduce their consumption by cutting down on pleasure trips if you like and by making greater use of public transportation, a rural resident, a farmer, cannot use his tractor less without directly relating to a reduced income. It is essential, therefore, that any assistance made available to consumers of taxed fuels also be extended to the farming community.

For these reasons, effective last May, May 15th of 1974, this Government introduced a Farm Cost Reduction Program. Under the Department of Agriculture cheques are being mailed to farmers to compensate them for this increase in their production costs resulting from the increase in the price of purple gasoline, diesel fuel and liquid petroleum gasoline used in their farming operations for farming purposes. At the time of the announcement farmers were requested to retain their fuel delivery slips, paying particular attention to assure that receipts were correctly completed. Under the Farm Cost Reduction Program application forms for rebates on farm fuels purchased prior to December 31st were made available. Forms were made available through the Post Office and local Ag Reps. The applications, substantiated by delivery receipts, were to be submitted to the Department by no later than March 31st, 1975.

The program in our minds is a benefit essentially to every bona fide farmer operating in Saskatchewan. Our statistics, Mr. Speaker, show that in 1973, 183 million gallons of farm fuels were consumed in Saskatchewan. It is estimated that this will increase to somewhere in the neighborhood of 186 million gallons for the last calendar year, 1974. The total amount of rebates made under this program each year should be in excess of \$13 million. Because this year the program began on March 15th, the payments are expected to total somewhat less than that, we are estimating somewhere in the neighborhood of \$11 million.

The 1971 census determined that there were 76,970 farmers in the province. If each of these applied for assistance under

this program the average payment per farmer in following years would be about \$170. This will increase as the total amount of fuel consumed increases and/or if farm numbers decline. This assistance is especially important at this time as farmers are now in a constant price squeeze with costs increasing at a very rapid rate. A quick check of farm input costs reveal recent jumps, very recent jumps. From the first quarter of 1972 to the first quarter of 1974 the price index for hired labor increase by 32 per cent. The prices of baler twine have almost tripled in the last year. The prices of plywood granaries, of steel granaries have risen by eight to ten per cent and 15 to 21 per cent respectively in the last six months of 1974. The cost of barbed wire for fencing has increased by 75 per cent over the last year. Farm water and sewage systems cost 35 to 40 per cent more than a year ago. I could quote even more figures but the point I am trying to make is this, even though farmers' gross incomes have increased significantly, in many instances the cost of the operation have either increased accordingly and in some isolated instances the cost of operations has actually eaten away more of the gross receipts so that the net return for some of those commodities are less than they were several years ago. And I say that there has been some recent increase in regard to fuel petroleum products. I believe a number of companies have already increased the cost of their petroleum that will be needed by farmers in their spring operations and I suspect that it will not be long until all fuel companies have increased the cost of farm fuel by the increase that has taken place by those two companies in the last week or so.

Petroleum products are an important and expensive input into agriculture production. In 1971 direct expenditures by Saskatchewan farmers on fuel, oil and lubricants amounted to \$68.6 million, which accounted for 14.6 per cent of the total operating expenditures of farmers. Thus it is apparent that increases in the price of farm fuels will have significant effects on the total operating costs of our farmers in this province. It is estimated that the Farm Cost Reduction Program will reduce the total farmers' costs by three per cent.

Mr. Speaker, in order to have the grant paid to farmers before seeding time so that they have the extra money for the spring farming operations, payments are being made under Section 7, Chapter 25, amended 1973, of The Department of Agriculture Act, which provides for making grants to persons engaged in farming to assist them in their farming operations. I am pleased to say that over half of the applications of 38,000 have been processed and grants averaging \$170 have been made to 20,000 farmers. Payments of eligible grants will be complete by the end of April.

Members opposite will raise the question, perhaps, why introduce the Farm Cost Reduction Bill if grants can be paid under Section 7 of The Department of Agriculture Act. Well, Mr. Speaker, the Bill is still necessary because there is no authority under The Department of Agriculture Act to investigate doubtful or questionable applications or to prosecute the offender who submits a false application and/or receives a grant. While most of the applications for a grant will be accurate and substantiated by receipts there will be always a few who will try to take advantage of any program. The questionable applicants would then be investigated and processed when this Bill No. 24 is proclaimed.

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I am pleased to announce that of the 38,000 applications processed less than 1,450 have been returned for correction and only a few have had to be investigated.

Mr. Speaker, I should like to conclude my remarks by saying that as, the people of this province own the crude oil resources of Saskatchewan, they should then benefit from any increase in the value of that resource. They should not suffer from an increase in the price of gas and oil which is not brought about by increased production costs of the oil and gas industry, but by events in the world of international oil politics. This Government believes that the people of Saskatchewan should be protected from running out of oil in 10 to 15 years, protected from paying high prices and protected from having their resources exploited for the benefit of the international oil corporations. It is a policy of this Government to ensure this protection. The Oil and Gas Conservation and Stabilization Development Act is part of that overall policy. It is a part of this policy that taxes on gasoline and diesel fuel were reduced by seven cents and five cents per gallon, respectively. In order to allow farmers the same benefits under this policy we have introduced the Farm Cost Reduction Program.

Therefore, Mr. Speaker, it is my pleasure to move second reading of Bill 24.

Some Hon. Members: — Hear, hear!

Mr. E.F. Gardner (Moosomin): — Mr. Speaker, this might be quite an acceptable program if farmers didn't have their own records that they can take a look at at home. But farmers do have their own invoices I am sure for their farm fuel back for a number of years and I am sure that most of them are taking a look at them at this time. I happened to look at mine and I found that from September, 1972 to September, 1974 the price of purple gas in my area rose from 29.1 cents to 42.8 cents or an increase of 13.7 cents. Over the same period diesel fuel rose from 25.5 cents to 40.2 cents which is an increase of 14.7 cents. This is an increase, Mr. Speaker, of 58 per cent in the price of farm fuel in two years. Now these figures may be out a fraction of a cent as we know there are different rates in different areas but basically they went up almost 15 cents a gallon, about 58 per cent in two years. I should like to ask the Minister of Agriculture, who should be trying to help the farmers, how is that for inflation?

We have oil wells in this province and he mentioned this; the oil belongs to the people of the province and it should belong basically to people who are primary producers such as the farmers and other people in that kind of industry. The NDP are responsible for a 14.7 cent increase in this basic farm necessity. Mr. Messer makes quite a big deal out of returning about half of this to the farmers of the area, if the farmer can produce his invoices and if he can get by all the red tape necessary to get a cheque. They take 14 cents from them and they give them back seven cents and the farmer is supposed to be grateful. I don't know whether he will be or not.

We all know that the Provincial Government controls the price of fuel in this province; they have complete control over the price of fuel and I am sure the Minister won't deny it.

The price rise is due to taxation and royalties largely. The NDP policy is to cause the rise of 14 cents and blame it on the oil companies and then take credit for the rebate and hope that the farmer won't see the truth. I have in my hand, Mr. Speaker, a letter which was written to the Hon. John R. Messer; I hope he will comment on it in his closing debate. This is from one of the officials of Imperial Oil. This is his comment and I haven't heard any denial from the Minister. I want him to comment when he closes the debate. It says, "Dear Sir", and it's addressed to Hon. John R. Messer:

Your December 27th, 1974 letter addressed to the farmers in Saskatchewan concerning the seven cents per gallon Provincial Government rebate on farm petroleum fuels has come to my attention. I am disappointed to note your statement without elaboration that on May 16th, 1974 the major oil companies increased retail gasoline prices by nearly nine cents per gallon.

This was in a letter to every farmer in the province.

The inference in your letter is that this additional revenue went to the oil companies, this is not the case.

It goes on to say:

It's true that on May 16th, 1974 Imperial Oil increased the wholesale prices of its principal products by 9.2 cents per gallon west of the Ottawa Valley. This increase resulted from the provincial-federal Government accord early in the year and raised the price for Canadians who produced crude oil. Of the 9.2 cents per gallon increase Imperial received .4 cents per gallon, the balance — this is 8.8 cents — went entirely to the Government, either provincial or federal, in the form of royalty or tax.

So, Mr. Messer would like the farmers to believe that oil companies are putting up this price and that he is saving them by giving them the rebate. Mr. Messer simply wants a cheque sent to every farmer just prior to the election. He is processing a number of these applications and they are sending the applications back with a note that they will get their cheques later. Maybe they will, it's a complicated method, it's expensive and it's obviously politically motivated. Mr. Messer has gone to the trouble of sending to every farm in the province — I don't know how many he sent because he claims he doesn't know how many farmers there are — but he sent every farmer a letter on May 15th, 1974 telling them about the rebate and sent them another with a rebate package on December 27, 1974. If there are 60,000 or 70,000 farmers in this province, this is quite a burden on the taxpayer just to handle this type of a rebate program.

We know that the Provincial Government controls the price, the obvious answer is to reduce the initial price. Why charge the farmer 14 cents more and give him back seven cents or ten cents — 8, 9, 10 cents a gallon initially, this would be better than the costly, politically motivated rebate program that has been introduced by the Minister.

If you will take a look, Mr. Minister, I am sure you can

check with the Minister of Finance, the Premier and the Attorney General, they will tell you that the Provincial Government is looking at revenues from the oil industry of something like \$200 million. Mr. Messer gets up and says, you know if they keep increasing the price of fuel we might give back \$11 million or \$12 million to the farmers and this is supposed to be some sort of a big deal. Charging them 14 cents extra in two years, giving them back seven cents, taking \$200 million from the oil industry and giving back \$11 million to the farmers as a rebate.

The Member who is talking over there will have a chance to get up and join the debate, if he wants to check with the Minister of Finance, he can find out these figures, the amount of money that they are getting from the oil people. He will find out it is about \$200 million and \$11 million going back to the farmers. Of course we are in favor of any kind of a return; seven cents, meager though it is, is better than them keeping the whole amount. But we would suggest that instead of this they would immediately reduce the price of fuel to the farmers which they could readily do by ten cents a gallon.

Mr. Speaker, we waited quite a while to hear the Minister's remarks on second reading and we would like to look at them a little further and at this time I beg leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

Debate adjourned.

MOTIONS FOR RETURN

RETURN NO. 54

MR. J.G. LANE (Lumsden) moved that an Order of the Assembly do issue for Return No. 54 showing:

(1) Whether any overpayments of funds were made to any individuals, groups, or business firms under the Senior Citizens' Home Repair Program of the Saskatchewan Housing Corporation, during the calendar year 1974. (2) If so, (a) the number of such overpayments that were made; (b) to whom and the amounts in each case the overpayments were made.

Hon. D.W. Cody (Minister of Saskatchewan Housing Corporation): — Mr. Speaker, before I move an amendment to this I just want to say a few words about the program as such and about the question. I want to give the Members of the House and the people of the province a few statistics on this program. I think the Member has asked a good question, however, I think it is due that we do give some statistics on the program and how it has been going thus far.

With respect to the assistance that the program has provided to individuals of low income — some \$3.4 million was spent during the period and 8,300 grants were awarded.

Mr. Speaker, the average value of the grants which were made was about \$408. There is no question whatsoever that these grants were correctly applied to assist people of low and moderate incomes. The people who were recipients of this

program had incomes of about \$3,700 on the average. This represented an increase in the individuals' incomes, who are senior citizens of course, by approximately 11 per cent. This had significant impact in my view in protecting our low income senior citizens from inflation and is consistent with the Government's overall policies in this regard.

With respect to the impact that the program had in encouraging employment during the winter months, some \$1.4 million or 35 per cent of the cost of the work done was paid in respect of labor costs at an average of \$4 per hour, which represents some 360,000 man hours of work, which the program generated between September, 1973 and May 1974. Enough activity, Mr. Speaker, to reduce winter unemployment in the construction industry by one and one-half percentage points. I think that is a commendable record on just one very small program that this Government has embarked on.

With respect to the impact that the program has had, on encouraging and facilitating an improvement to the existing housing stock in the province, 32 per cent of the funds spent were spent for general maintenance; 25 per cent for structural improvements, such as improvements to walls, foundations, etc., 10 per cent was spent for improvements to heating systems; 11 per cent for plumbing; and five per cent for electrical improvements. As I had indicated before the program has been designed to ensure that it is accessible to small communities and rural centres. During the period from September, 1973 to May of 1974, 24.6 per cent of the grants were made available in cities; 37 per cent in towns; 24 per cent in villages; and 13 per cent in all other centres and rural municipalities.

Some Hon. Members: — Hear, hear!

Mr. Cody: — It is clear, Mr. Speaker, from these figures that the program had a significant impact in generating economic activity and improving the way of life of our senior citizens in small towns, villages and rural municipalities.

Although the program may not be fully appreciated by the Opposition, obviously it wasn't by the way the question was worded, but it is certainly appreciated by the low income senior citizens who have been assisted as a result of this Government's action.

At this time, Mr. Speaker, I just want to read a few letters which we received in our Department. Just let me read some of the letters which we get from senior citizens from time to time. I want to read one here which says:

I want to thank you and the Government of Saskatchewan for the grant as we are enjoying our combination window and combination doors, also the iron railing on the front steps, as we are getting old and it is nice to have a railing to get ahold of to walk up the steps.

That's from one of our senior citizens. Let me read another one to you just for the record.

Mr. Guy: — Will he table the letter or give the name of the person who wrote it? After all letters without the name mean very

little at any time.

Mr. Cody: — Mr. Speaker, I will read some more letters into the record and I will take the Member's suggestion into consideration and I may just do that. However, I will just do it if I wish and I won't if I don't.

Mr. Speaker: — The Minister must either give the name or take full responsibility or table the letters. He just can't read from what may be a blank letter.

Mr. Cody: — There is no question about it, I take full responsibility for it, no doubt about it because the letters I have are quite legitimate, they are not letters which are being made up by the Department or anybody else. In fact some of the letters are from the Hon. Member's constituency across the way. Let me read another one, Mr. Speaker:

I received the grant in time to enable me to put the sewer and water in my home, which I could not have done without it. I would like to express at this time my sincerest gratitude to Mr. Blakeney and Mr. Cody for this. I was able to winter in my own home in comfort, through the very severe winter weather we had. The work was all completed Christmas Eve, and I surely never had a better Christmas present. So again, many thanks.

Some Hon. Members: — Hear, hear!

Mr. Cody: — Mr. Speaker, I could go on and on. I have letters here from all over the province, I just won't take the time of the House today to read them. I can assure the Member for Lumsden (Mr. Lane) that I will read them, I may read them next week, during the Budget Debate if he would like to have them read. But I can assure him that the people of this province and the senior citizens particularly on low incomes are truly happy with this program and grateful for the way that the Saskatchewan Housing Corporation employees have dealt with them. At this time, Mr. Speaker, I wish to offer the following amendment:

That all the words after the word 'showing' be deleted and the following substituted therefore:

1. The total number of grants paid under the Senior Citizen's Home Repair Assistance Program in 1974.
2. The amount of funds paid to individuals or business firms under the Senior Citizens' Home Repair Assistance Program in 1974.
3. The amount of funds overpaid under the program.
4. The 1974 overpayments as a proportion of total 1974 payments under the program.
5. The 1974 dollars overpaid under the Senior Citizen's Home Repair Assistance Program as an average overpayment for the number of grants paid.

Mr. Speaker, I so move, seconded by the Minister of Finance (Mr. Robbins).

Debate adjourned on the motion of Mr. Guy (Athabasca).

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