

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 29, 1980

The Assembly met at 2 p.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. SPEAKER: : — I would like to take this opportunity to introduce to the members of the Assembly today, a group of students from Saskatoon Westmount constituency who are from Westmount School. They are located in the Speaker's gallery and are accompanied today by Mr. John Toles and Mrs. F. Bowie. They are 28 in number. I know all members of the Assembly will join with me in welcoming these students to the legislature. I hope I will have an opportunity to meet with them later on.

HON. MEMBERS: : — Hear, hear!

HON. E.E. KAEDING (Saltcoats): : — I would like to introduce to you and to the members of the legislature, a group of Grades 11 and 12 high school students from the Churchbridge and Langenburg area. There are about 35 of them. They are accompanied here by the manager of the Langenburg Credit Union, their teacher, Wayne Wowk at Churchbridge, and Alfred Labas from the Department of Co-operation and Co-operative Development, who is sponsoring them through the city. This is a group which is sponsored by the co-ops in the area. I understand this is the 34th co-op group to visit Regina this year, sponsored by the Department of Co-operation and Co-operative Development and the co-operating co-operative groups. They have already visited the Co-op refinery in the city and the cable co-op this morning. This afternoon, they will be visiting Credit Union Central and the Co-operators. We want to wish them all a very pleasant afternoon. We hope they will learn something in the period they are here in the legislature, and we want to wish them a very good journey home. I will be meeting with them immediately following the question period in the lobby. I hope the members of the Assembly would join me in welcoming them here.

HON. MEMBERS: : — Hear, hear!

MR. J.L. SKOBERG (Moose Jaw North): : — Mr. Speaker, it gives me a good deal of pleasure this afternoon on behalf of myself and my colleagues, the Hon. Gordon Snyder, the Minister of Labour, and also the Minister of Continuing Education, the Hon. D.F. McArthur, to welcome and introduce a group of 18 present students and graduates of the STI (Saskatchewan Technical Institute) in Moose Jaw. They are accompanied by their instructors, Mr. Zadorozny and Mr. Chien. I must say I am sure the group of students (who have taken business administration and I understand they have pretty well all found job opportunities in Saskatchewan or elsewhere) are to be congratulated on their tenure as students at the STI.

I might say, Mr. Speaker, and I am sure that all members of this House will agree with me, those students who are taking technical and vocational training at our technical institutes in Saskatchewan are to be congratulated in providing to our industrialized society a tremendous amount. It is a great pleasure for me to say congratulations and we'll meet you a little later.

HON. MEMBERS: : — Hear, hear!

HON. N. VICKAR (Minister of Industry and Commerce): : — Mr. Speaker, I would like to join the member for Moose Jaw North in welcoming the students from STI to the Assembly this afternoon.

Mr. Speaker, these students are only now beginning in the field of business and industry. We, in the province of Saskatchewan, are in dire need of this type of people. I would like to welcome them and wish them well on their final examinations coming up very shortly and wish them well in the business world in the future.

HON. MEMBERS: : — Hear, hear!

HON. H.H. ROLFES (Saskatoon Buena Vista): : — Mr. Speaker, I would like to introduce to you and to the members of this House a group of 43 Grade 7 and 8 students sitting in the West gallery. They are from Hugh Cairns School in my constituency. They are accompanied by their two teachers, Mr. Cowan and Mr. Sulatyski, I believe it is. It's my pleasure, Mr. Speaker, to meet with them later on today. I do hope that they have an educational day here in Regina, and I hope they have many worthwhile questions and comments for me when I meet with them later. I ask all members to join with me in welcoming them to this legislature.

HON. MEMBERS: : — Hear, hear!

Welcoming Exchange Students

HON. R. ROMANOW (Attorney General): : — Mr. Speaker, it gives me also a great deal of pleasure to introduce to you a special group of visitors not only this legislature but the province of Saskatchewan. The University of Saskatchewan primarily through the department of political science and economics, and the school of community and public affairs at Concordia University, have organized a public affairs student exchange program to be held between the periods of April 26 and May 10 of this year. Today we have with us in the Speaker's gallery 12 exchange students from the University of Concordia at Montreal, together with their guests (I was going to say chaperones but I think that's probably inappropriate for university students). They have visited the Uranium City area or are going to. I understand that they also have plans for visits to the Indian Law College and discussion on land and treaty rights, for a tour of potash mines and discussion about public sector involvement in mining operations, and of course, part of the program is to view the legislature today in its activity. I think this idea is an excellent idea and we must congratulate the universities and particularly the students for coming this distance to Saskatchewan from Quebec. I think there can be no more appropriate visit given the importance of the current debate throughout Canada. I'd also like to extend a welcome to, and I hope I pronounce the names correctly, Mr. Michelmann, Don Storey, Katie Binden, and Andrew Gollner who, I'm advised, are accompanying our distinguished visitors. On behalf of the Premier and all the members of this Assembly, Mr. Speaker, may I say with a rather Ukranian accent, bienvenue a Saskatchewan.

HON. MEMBERS: : — Hear, hear!

QUESTIONS

Unemployment in Lumber Industry

MR. G.M. McLEOD (Meadow Lake): : — Mr. Speaker, a question to the Premier. Mr. Premier, in view of the hard times being faced at the present time by the lumber industry and the scheduled cutbacks and closure of mills at Carrot River and Hudson Bay, Big River and Meadow Lake, placing several hundred Saskatchewan people on the unemployment rolls for the summer, I would ask you, Mr. Premier, what action is your government prepared to take to lessen the blow for these employees and their communities which depend to such an extent on the lumber industry?

HON. A.E. BLAKENEY (Premier): : — Mr. Speaker, I just want to make one brief comment and then call upon my colleague, the minister in charge of the Sask Forest Products Corporation. The point I make is that there is an assumption built into the question that the layoffs are going to be for the summer. It would certainly be our hope that, at least with respect to some of them, they would not be of that duration. My colleague may wish to add . . .

HON. J.R. MESSER (Minister of Mineral Resources): : — Well, Mr. Premier, there have been no announced layoffs of personnel within the Sask Forest Products Corporation. It would be an error to mislead this House and say there are not grave concerns in respect of lumber markets both in Canada and the United States, but as yet no final decision has been made as to the implications for Saskatchewan Forest Products Corporation. We will endeavor to keep the corporation running as long as possible. We are now stockpiling products we cannot find markets for, especially dimension lumber. The situation is not quite so bad in respect of plywood but we do know that matters will worsen before they improve. So to the member for Meadow Lake, we are concerned about the problems. We will endeavor to operate the corporation as long as possible. We have made no final decision at this point in time.

MR. McLEOD: : — Supplementary question. From the minister's answer saying there have been no announcements of layoffs or cutbacks at Sask Forest Products Corporation, but certainly with the plywood plant at Hudson Bay (which I know isn't a Sask Forest product); it is in the province of Saskatchewan. These employees are citizens here. The Meadow Lake sawmill, operated by Prince Albert pulpwood : — I'm sure those people will be very pleased to hear that you're concerned about them, but I'm not so sure they will be so pleased to hear your concern is not going to help their pockets.

All I'm asking you is: in recent weeks this government has refused to initiate anything to help home-owners; they have refused to initiate anything to help farmers; they have refused to initiate anything to help . . .

MR. SPEAKER: : — Order. I'll take the next question.

Forest Industry Layoffs

MR. McLEOD: : — A new question to the Premier. Mr. Premier, is this large number of employees, who are involved in the forest industry in Saskatchewan, just to be added to the long list of groups in Saskatchewan which is not going to be getting any help, that you are refusing to help through the present economic crunch?

MR. BLAKENEY: : — Mr. Speaker, we are clearly attempting to mitigate any hardship which may come about because of the continent-wide depression in the building industry, particularly the house building industry. The measures taken to offer alternative employment generally, have been, as all hon. members know, outstandingly

successful since our unemployment rate is either the lowest of the second lowest in Canada, as it continues to be.

We would certainly hope those who are hit by anything other than a temporary layoff would be able to find alternative employment. We expect a very, very busy time of development in northern Saskatchewan this summer, and it may well be that some who were working in northern Saskatchewan in the timber industry will be able to find alternative employment, if in fact the timber industry depression, or recession continues and more people are laid off.

Unemployment in Hudson Bay

MR. D.G. TAYLOR (Indian Head-Wolseley): : — Mr. Premier, the Mayor of Hudson Bay, Saskatchewan, indicates that perhaps between 80 per cent to 90 per cent of the population owe their earnings to and their living to (directly or indirectly) the lumber industry. What alternate forms of employment are you going to find for these people in Hudson Bay?

MR. BLAKENEY: : — Mr. Speaker, I would think it unlikely, in the highest degree, that 80 per cent or 70 per cent of the people of Hudson Bay will find themselves without employment. If in fact layoffs do come about in some of these industries where there are not layoffs now, and if they are of lengthy duration, I feel sure they will affect a number which would be very much less than that suggested by the member for Indian Head-Wolseley. I am not now suggesting that for those who are laid off, the hardship is any the less, except I do suggest to this House that the impression sought to be conveyed by the hon. member for Indian Head-Wolseley is quite without foundation.

Forest Fires Protection in Northern Saskatchewan

MR. R. KATZMAN (Rosthern): : — A question to the minister responsible for the Department of Northern Saskatchewan. You are aware of the extreme forest fire conditions in northern Saskatchewan presently. Is your total complement of aircraft busy protecting the northern forests?

HON. J.A. HAMMERSMITH (Minister of Northern Saskatchewan): : — Mr. Premier, currently, there are 600 personnel with hand tools and pumps working on the fires. 9 helicopters, 3 tracker air tankers, 2 Canso water bombers, 20 bulldozers and 3 swamp tractors. As of 11:15 this morning there was a total of 35 fires burning. 14 new fires reported in the last 24 hours, nine fires extinguished in the last 24 hours, and there are three fires that are not yet under control. All the aircraft that are available to fight the fires are fighting fires.

MR. R. KATZMAN: : — Supplementary, Mr. Minister, on October 9 last year, you sent your aircraft to be repaired. There are three of them still grounded in Calgary at Field Aviation. You picked up three in the last week. Why was your department management not able to make decisions soon enough so that the aircraft could all be available at present for fighting forest fire instead of last week making decisions that were required to be made four months ago.

MR. HAMMERSMITH: : — The member will be aware that as he points out six of the aircraft, Grumman trackers, were sent for annual overhaul last winter. Three are presently in service in the North. One more will be there Monday. He will also be aware that it's somewhat unusual this early in the year to have the level of forest fires that there

is in the North. He will also be aware that it is somewhat less then responsible to be placing machines, particularly 250 mile an hour machines, like the Grumman tracker in service in a dangerous situation like dropping retardant on fires before they are in proper repair and before they're declared airworthy. Mr. Speaker, the order for repair was given last October as the member for Rosthern points out. A considerable amount of work is done to keep those particular aircraft airworthy. They work in very trying and very difficult circumstances and they must be in first-class shape.

MR. R. KATZMAN: : — Supplementary, Mr. Speaker. Mr. Minister, almost six months ago, you called for plans to purchase Canso bombers. Only last week after your department had made several changes and gone over the proposal several times because your department could not make up its mind what it was doing, did you finally order three additional water bombers that you got only in the last day and a half. Mr. Minister, your department is in fault for taking so long to make . . .

MR. SPEAKER: : — Order, order! I'll take a new question.

MR. E.A. BERNTSON (Leader of the Opposition): : — Mr. Speaker, question to the minister. I wonder if the minister could explain to this House why it took six months to make this decision when he knew full well that this is the time of year we need those particular aircraft and they can't fix them overnight?

MR. HAMMERSMITH: : — Mr. Speaker, it didn't take six months to make a decision to fix the aircraft. That decision was made last October. As the hon. member for Souris-Cannington will know, there is very little demand between October and May for water bombers to fight forest fires in northern Saskatchewan. The member for Rosthern refers to Cansos which he alleges were purchased this week or yesterday.

As a matter of fact, Mr. Speaker, the deal was concluded on March 31, and it was a joint purchase between the Government of Saskatchewan and the Government of Canada, costs shared under the Northlands agreement. The member will also know that Canso water bombers are in very great demand, not only in Canada but in other parts of the world and that we were extremely fortunate in being able to secure for the province of Saskatchewan at a cost of something in the neighborhood of \$400,000, three aircraft valued at \$1,050,000.

MR. J.G. LANE (Qu'Appelle): : — Supplementary to the minister. There are three water bombers sitting, not ready and not prepared to fight fires, in Calgary. They were left there; you had not made the decision. What other conclusion can the people of Saskatchewan draw from your inaction other than you are ill-prepared for the forest fires problem in northern Saskatchewan and I suggest grossly negligent in refusing to take the action to repair those planes . . .

MR. SPEAKER: : — Order, order.

MR. HAMMERSMITH: : — Mr. Speaker, the member for Qu'Appelle again demonstrates his considerable lack of expertise in regard to northern Saskatchewan. There are no water bombers sitting in Calgary. There are no water bombers there about which to make any decisions. The member's alleged facts are totally erroneous and without foundation.

MR. KATZMAN: : — Supplementary, Mr. Speaker. Why did you not have pilots available to fly these aircraft, the three aircraft that you just bought? You do not have pilots available to you. Your other pilot started on April 21. Where were the pilots hired for these aircraft?

MR. HAMMERSMITH: : — That statement as well, Mr. Speaker, is untrue. The member, if his information will be checked out, will recognize that those three aircraft are (and with crews supplied) in the third year of a three year contract. The only change is that this year because we are able to obtain federal cost sharing, we purchased the aircraft and continued the contract for the supply of pilots.

Preservation of Northern Wildlife

MR. L.W. BIRKBECK (Moosomin): : — Mr. Speaker, I would like to present a question to the minister responsible for the Department of Northern Saskatchewan. The question is out of concern for preservation of wildlife in northern Saskatchewan, a concern that is already very well expressed by the Saskatchewan Wildlife Federation. It deals with what I see as the unnecessary massacre of the barren ground caribou and I just quote very briefly, with Mr. Speaker's permission, from a news release put out on April 23 by the Saskatchewan Wildlife Federation : — just to enlighten the minister as to the serious nature of the problem:

Reports suggest that well over 10,000 animals were killed and the final count, if it can be determined, may reach 15,000. A pilot has stated that it was hazardous to land on some lakes because of crippled and dying animals limping around on broken legs, and carcasses that littered the lake, some with only the tongue or one hind quarter removed. The shooting was still going on at Reindeer and Wollaston Lakes and carcasses were piled in the sun.

Mr. Minister, would you not agree this unnecessary use of barren ground caribou and bizarre acts of inhumanity constitute an immoral and irresponsible reflection on your Department of Northern Saskatchewan as it relates to the protection and preservation of wildlife named, in this case the barren ground caribou?

MR. HAMMERSMITH: : — No. I would not agree with the facts that the member quotes. Unlike the member for Moosomin, I prefer to rely on the evidence accumulated by the wildlife biologists from Saskatchewan assigned to this matter rather than the casual observation (not that sometimes those observations are not accurate) of pilots. I would point out to the member that the herd he is referring to is the Beverley herd, which extended its winter grounds considerably further south of the Fond-du-Lac River than it had in previous years. As far south as Cree Lake and across to the east to Wollaston and Reindeer Lakes there exists at two levels a Northwest Territories, Manitoba and Saskatchewan joint management and planning committee that is concerned with the preservation of the Beverley herd as they are with the Kaminuriak herd that the member will also be informed about.

The problem he refers to has been of serious concern, to not only Saskatchewan but to other jurisdictions for a number of years. The basic problem is that by treaty and by their rights under the Canadian constitution, treaty Indians are allowed to hunt for food on unoccupied Crown land, and these caribou were taken in the exercise of their treaty rights. The Department of Northern Saskatchewan does not have any authority to stop treaty Indians from exercising their treaty rights.

The most recent information I have is that caribou carcasses were not left lying on the ice for any extended period of time; the hunters returned and took those carcasses back to the communities of Wollaston Lake, Stony Rapids and Black Lake, Fond-du-Lac and south-end Reindeer Lake and the meat was used by the families there. It is, however, of serious concern because the Beverley herd now numbers approximately 150,000 and we do not, contrary to what the member for Moosomin says, which to see that herd destroyed. We are in active discussions with, not only the other jurisdictions and governments that I outlined, Mr. Speaker, but also with the Federation of Saskatchewan Indians and the individual Indian bands in the North.

MR. BIRKBECK: : — Supplementary, Mr. Speaker. I don't view this as a laughing matter; it's a very serious matter. Mr. Speaker, in directing a question to the minister responsible. I would ask you two questions in one. Firstly, do you disagree with the Saskatchewan Wildlife Federation's position in this particular matter? Secondly, I realize there are various jurisdictions that have control over this particular matter and I understand the status of Indians claim as it relates to wildlife.

But, Mr. Speaker and Mr. Minister, would you not agree that there is a dispute here between jurisdictions of governments? I suggest that your department is responsible and that it just simply constitutes bureaucratic ineptitude which has been the case all along in the Department of Northern Saskatchewan. Do you not agree?

MR. HAMMERSMITH: : — No. I would not agree. First of all, Mr. Speaker, there is no dispute. Secondly, I do not put treaty rights of Indian people in Canada and the law of Canada into the category of bureaucratic ineptitude.

Public Hearings on Bill No. 13

MR. TAYLOR: : — Mr. Speaker, a question to the minister responsible for Sask Tel. In light of the minister's comments that he is indeed in favor of more public input into Bill No. 13, and that he's supposedly favors more public access to elected officials on Bill No. 13, my question to the minister is: would you be in favor of the establishment of a special committee of the Legislative Assembly to hold public hearings on Bill No. 13 throughout Saskatchewan during the time between adjournment and the next session?

HON. D.W. CODY (Minister of Telephones): : — Well, Mr. Speaker, I suppose one could always agree with anything in that regard when it comes to public input but I have had a lot of representation on Bill No. 13 and lots of the representations have been made and will be considered. You will note when I give second reading that some of the input will in fact be here by way of amendments.

MR. TAYLOR: : — It is evident that some of it will be put in. I think we are all getting a lot of input. Would you not agree that perhaps holding these hearings throughout the province and allowing the people of Saskatchewan access to a group of legislators from this Assembly would be the most democratic way to possibly get the input of the people into this very important bill?

MR. CODY: : — Mr. Speaker, I am sure if the members opposite have received a lot of representations, surely they are going to put their views forward for those people. I would expect that is what they would do. I think that is what they were elected to do and that is to represent the people who may well give them some representation with regard to this bill. In that regard I see no real reason why we need to have public hearings any further than the public discussion which has been taking place and the input from the people who have asked these people to put forward their views. Their views may well be looked at and they may well not be. At all times we are prepared to look at the public's view and have public input. Surely if you people have received representation from the public at large your jobs, as MLAs in my view, would be to put that view across at the time second reading is given and at the time we have committee of the whole. At that time second reading is given and at the time we have committee of the whole. At that particular time if we see a need to change, we will certainly be considering that change.

Land Bank Payments

MR. KATZMAN: : — A question to the Minister of Agriculture. Several days ago I asked a question about interest on land bank payments in January when people tried to pay them during the strike and were refused permission to pay them. They were charged interest. Do you have an answer to my question?

HON. G. MacMURCHY (Minister of Agriculture): : — Mr. Speaker, I have not yet received an answer from the land bank commission.

MR. KATZMAN: : — Supplementary. When can I expect it? Is this an example of the efficiency of your government?

MR. SPEAKER: : — Order! The member for Maple Creek.

Gallup Poll

MRS. J.H. DUNCAN (Maple Creek): : — A question to the Premier. In view of the fact that a Gallup poll presently being conducted in Saskatchewan is reputed to have been commissioned by the Government of Saskatchewan or one of its agencies, will the Premier please indicate to this Assembly if this indeed is the case?

MR. BLAKENEY: : — Mr. Speaker, I frankly don't know the answer. Government agencies from time to time commission a good number of surveys. For all I know some of them may well be using the Gallup organization for one or other. If the hon. member would indicate with more precision which agency she thinks it may be then I would be happy to pursue it, otherwise I think we can deal with it on the basis of the question on the

order paper which calls for us to canvass all the agencies to see whether or not any of them are using the Gallup organization.

MRS. DUNCAN: : — Mr. Premier, in this poll being conducted by Gallup, the pollsters indicate at the doors that it is commissioned by the Government of Saskatchewan. Among the questions being asked are, do you think uranium development is good or bad; are there enough safeguards in the uranium industry today? In light of this, Mr. Premier, does this constitute a fundamental rethinking of your present uranium policy and is it perhaps indicative that changes might be in the wind?

MR. BLAKENEY: : — Mr. Speaker, our government is always reassessing its policies. Certainly in the area of uranium we are aware that there are public concerns. We would make no apology for attempting to ascertain public opinion matters related to the uranium industry or related resource developments generally where there are differing public views. We are not contemplating any immediate changes in any policies related to uranium at this time. We are always open to the views of the public and were in fact soliciting views from the public on these and other important public matters.

Foster Parent Rates

MR. H.J. SWAN (Rosetown-Elrose): : — Question to the Minister of Social Services. The parent's association for foster children state that their rates have not been increased since 1977. Is this statement a true reflection of your department's responsibility to foster parents?

MR. SPEAKER: : — Order. The time for the question period has expired.

ROYAL ASSENT

At 2:38 p.m. His Honour the Lieutenant-Governor entered the Chamber, took his seat upon the throne and gave royal assent to the bills presented to him.

RESOLUTIONS

Resolution No. 5 : — Interest Rates.

MR. A.W. ENGEL (Assiniboia-Gravelbourg): : — moved, seconded by the member for Cut Knife-Lloydminster (Mr. Long):

That this Assembly condemns the federal government for pushing Canadian interest rates to unprecedented levels, thereby reversing its pre-election commitment to lower interest rates, and causing severe economic hardship for home-owners, farmers, small business people and generally the vast majority of Canadian families living on modest incomes, resulting in higher costs, less investment, more unemployment and thus raising the spectre of a deep national recession, and illustrating the abdication of economic leadership by the new federal government.

He said: Mr. Speaker, I rise to move a motion that is of concern to most Canadians. We in Canada live in a nation with unparalleled economic potential, et high interest rates are strangling our economy and crippling our potential. Indeed, Canada's sovereignty as a nation is today threatened by Ottawa's policy of ever-higher interest rates. High interest rates mean an ever-greater degree of foreign ownership in our economy. Federal policy, both during Conservative and Liberal administrations, has been to push interest rates so high ordinary Canadians simply cannot afford to make any real stake in their own country.

The motion I will introduce will condemn the federal government for its interest rate policy. Mr. Speaker, high interest rates mean young people cannot afford to buy homes. High interest rates mean farmers are being forced into bankruptcy. High interest rates mean small business is being strangled. The result of all this inevitably shows up in high unemployment. In fact, no one except the banks, who as a result enjoy high record profits, and giant corporations, who are able to manipulate both the supply and the price of their products : — in short, only the financiers of the Conservative and Liberal parties : — benefit from the federal interest rate policy.

Less than two years ago, interest rates in Canada stood at 7.5 per cent. Today the interest rate stands at about 16 per cent. Canadian rate increases have followed rate increases in the United States. Further rate increases cannot be tolerated, Mr. Speaker. Unless steps are taken by Finance Minister MacEachen, the Bank of Canada will float its interest rate upward a little at a time hoping we won't notice.

It was the Trudeau Liberals who first initiated the high interest rate policy. By the time the Liberals were defeated at the polls in May of '79, interest rates had risen past the 10 per cent level. In the six months following that defeat, the Clark Conservatives who had promised to lower interest rates, raised those rates on four separate occasions. Both the Liberals and the Conservatives were guilty of gross negligence in their management of interest rate policy. With the Liberals back in power, the prospects for a reversal of this policy are not very encouraging.

On Thursday, March 13, Mr. Bouey, the Bank of Canada's governor, announced a new procedure. 'The bank's lending rate is set by the money market conditions.'

In making this declaration, Mr. Bouey neglected to mention that the bank controls those conditions. In his capacity of governor of the bank, he controls the size of the Canadian money supply. Since interest rates are determined by supply and demand, he controls interest rates through his control of the money supply, Mr. Bouey will impose his conviction that higher interest rates fight inflation. This latest move to increase them a fraction every week to keep in line with the U.S., rather than periodic substantial increases, is an attempt at deception.

Many of you will remember Mr. Art Thibault, the former member for Kinistino. He would call this chopping off the puppy's tail a little bit at a time. A professor of economics, Ruben Bellan, of the University of Manitoba, said:

Mr. Bouey and his American counterpart, Mr. Volcker, are reminiscent of the eighteenth century doctors who were convinced that some sickness could be cured only by drawing blood from the ailing person. If the individual did not recover, the doctors concluded not that the treatment was wrong but that it had not been applied vigorously enough. They would draw more blood. Thousands of people died because of the fanatic application of a dogma that, as we know today, was absolutely false. Messrs. Volcker and Bouey are similarly committed to their economic theory. If doubling the interest rate fails to stop inflation, then obviously it must be quadrupled.

The Minister of Finance, Mr. MacEachen, has authority over Mr. Bouey. By sending him a written directive, Mr. MacEachen can require Mr. Bouey to change his policy. It's time he picked up his pen and started to write.

Before discussing the effect of higher interest rates on the corporate sector, I want to spend a moment examining just what higher interest rates mean for individual Canadians. According to the October, 1979 Royal Trust survey of Canadian house prices, a three bedroom, five to eight-year-old bungalow costs approximately \$46,000 in Moncton, \$64,000 in Regina, and \$127,000 for the same size bungalow in Calgary. Twenty-five years ago the rule of thumb used to be that if he had one-third down and could spare one-quarter of his wages, a man could buy a house. Now the down payment is only about 10 per cent, but it takes two wage earners to carry the debt load.

A 30-year, \$50,000 mortgage on a new house costs \$150 per month more in interest payments today than it did last year. The total cost of a \$50,000 mortgage has increased by about \$75,000 in the past year and today it is over \$230,000. Banks, announcing interest rates on a regular basis further aggravates this situation. Of the Canadian population, 40 per cent classify themselves as middle class (the 10 million individuals whose household incomes range between \$13,000 and \$30,000 per year). They are by no means poor, but the things they were taught to expect the middle-class people could and should do : — buy a house, raise a family, improve their standard of living : — are eluding their grasp.

They are working harder longer hours and moonlighting, with more wives in the labor force, but their goal of the better things and their dreams of the comforts they were taught to expect are becoming unfulfilled. Many people who are enjoying the comforts of a new home are walking out of their mortgage contracts. They simply can't meet the additional demands of the higher interest rates. The repercussions will be even more severe as housing construction winds down, creating unemployment. That is one result of a Liberal and a Tory fiscal policy.

Farmers, too, are being squeezed. Saskatchewan farmers have outstanding debts of \$2.5 billion, not counting any new borrowing this year. A 1 per cent interest rate increase adds over \$25 million per year to the farmers' debt. The 4 per cent in the 6 months of Tory power increased the farm debt by over \$100 million. One-year interest payments on a \$40,000 farm operating loan increased by over \$100 per month during the Conservatives' 6 months in office. Over the 10-year life of such a loan the farmer would pay an extra \$25,000, thanks to Clark.

What the Liberals began, the Tories continued with a vengeance. It is obvious that they like the Liberals, are quite willing to turn our rural society into a collection of tenant farmers on corporate manors owned by the banks. The changes announced by the Minister of Agriculture to FarmStart and the 25 per cent increase in the land bank will be of great help.

Nor do the small businessmen fare any better with the old-line parties. High interest rates hit them directly. All over Canada they are reducing staff, reducing stock, shelving plans for expansion, and even the most modest improvements. The yearly interest costs have more than doubled over the last two years. Small business is the backbone of our economy. It provides jobs for Canadians. Small business requires capital financing to continue operation, yet both the Liberals and the Conservatives have declared war on it and their weapon of attack has been high interest rates. It is a strangulation of small business : — high interest rates that will push Canadian unemployment over the one million mark this year.

Mr. Speaker, I wish there was some tangible sign from Ottawa that interest rates would be coming down. In February the United States federal reserve increased its interest rate by one full percentage point. That raised the rates U.S. banks charged their customers to 16.5 per cent. In this year alone interest rates in the U.S.A. have gone up to 19 per cent. Inflation down there is up to 18 per cent and this will surely result in even higher interest rates here.

Canada should of course have an independent economic policy based on Canadian needs, but the fact remains that it does not. In the past the Bank of Canada has shown no reluctance whatsoever in pushing interest rates here to an unconscionably high level. As both the Liberals and the Conservatives have publicly endorsed this policy, it would seem only a matter of time until interest rates in Canada catch up to those of the United States.

Mr. Speaker, I want to spend a few moments examining the impact of Liberal and Conservative interest rate policy on the Canadian corporate sector. It is obvious high interest rates exert heavy pressure on provincial and local governments, on educational, health and welfare institutions, and on the less affluent and more vulnerable groups in our society. The effect on the corporate sector is harder to recognize.

In the Canadian corporate sector, firms with assets of under \$1 million account for about 90 per cent of the firms in business. In 1976 these firms paid an effective tax rate of 30 per cent. The reserve for unpaid taxes was less than \$900 per business. These firms are labor intensive and need financing since their initiatives and risk-taking exceed their capacity to attract funds. These are the small businesses at the heart of the Canadian economy. Many bankrupt or eke out a precarious existence. High interest rates increase the bankruptcy rate, push marginal firms over the edge and force staff

cuts and end any hopes for expansion. This sector is overwhelmingly Canadian-owned. High interest rates are strangling them. That is why I say the Liberals and Conservatives have declared war on these people.

Medium-sized companies with assets from \$1 million to \$25 million make up about 8 per cent of the corporate sector in Canada. Their traditional income tax rate is about 35 per cent. In 1976 their reserve for unpaid tax was about \$2 million or just over 17 per cent of the corporate taxes deferred by the federal government. This is the sector Canadians look to to provide for competition for the larger firms. If that happens the consumer benefits. These middle-sized firms are also heavily dependent on bank credit. High interest rates and restricted credit hurt them, forcing cut backs in modernization and postponement of plans to increase output and efficiency. Effectively hobbled by Liberal and Conservative economic ground rules these companies are less able to compete and many find themselves gobbled up by the giant corporations or financing bankruptcy with a small businessman.

While the old line parties hypocritically bleed about the virtues of free enterprise and the free market place, when in power they enact an interest rate policy which eliminates competition for the giant corporations. They enact interest rate increases which are but a poorly disguised attack on small and middle-sized firms. Seeing Liberals and Conservatives devise policy for small business is like watching a fox design a chicken coop. Somehow the chickens just seem to keep on disappearing. But, Mr. Speaker, when it comes to the big multinationals the Liberals and Conservatives can't do enough to help. When we examine this sector, it quickly becomes clear who is calling the economic shots in Ottawa. Corporations with assets of over \$25 million make up less than 1 per cent of the Canadian corporate sector. Their effective tax rate was less than 25 per cent : — the lowest of the three groups. Their tax deferrals have been allowed to rise to well over \$12 billion, six times the amount of taxes deferred by the other 99 per cent of the business sector. These firms are nearly all foreign-owned. They effectively control their markets by controlling (a polite term for fixing) their prices and profits. They can easily secure the necessary cash flow to carry out their corporate plans. With their massive reserves of unpaid taxes equal to about \$500 for every man, woman and child in Canada, they do not need significant amounts of credit. In fact with their massive cash flows the big corporations can actually benefit from high interest rates by manipulating money markets and swallowing smaller firms.

These are the voices which say high interest rates are necessary. High interest rates eliminate the only potential competition they have. These are the voices to which the Liberals and the Conservatives pay heed. This of course is not what the Bank of Canada or the Liberals or the Conservatives tell the people when pushing their mad money policy. They say raising interest rates is painful but necessary in order to fight inflation and attract foreign investment. This in turn, it is claimed, supports the Canadian dollar so that we are cushioned from the effects of foreign price increases. That, Mr. Speaker, is just so much nonsense. The Canadian economy is not operating at full capacity and tightening up money and credit further reduces output, income and domestic investment which certainly does nothing to help inflation. In the U.S., inflation and interest rates were at their highest level since World War II. In Canada, raising interest rates to record high levels has not dropped inflation. It is true however, that rising interest rates do speed up the inflow of capital; it also speeds up the foreign takeover of our economy and it drastically speeds up the outflow of capital in the form of interest dividends.

Last year, interest and dividend outflow from Canada to other countries was over \$5

billion. As foreign investments roll in, our resources roll out and Canada becomes little more than a resource colony. Eventually even those loans must be repaid. With record high interest rates this is the effect of unrestricted foreign investment in Canada today. This is the legacy the Liberals and Conservatives would leave our children and our grandchildren. This is the development of free enterprise, Canadian style. The economy is handed over to the corporate giants and foreign multinationals. The average Canadian finances a transfer. This is the Liberal and Conservative plan for Canada.

Mr. Speaker, I so move.

SOME HON. MEMBERS: : — Hear, hear!

MR. R.G. LONG (Cut Knife-Lloydminster): : — Mr. Speaker, I am pleased to second this motion, and in doing so go on record as being opposed to the high interest rate policies of recent federal governments. This motion is particularly timely. In fact, Mr. Speaker, I think there is presently an urgent need to do something about the current high interest rates. Thousands of Canadian families, who have mortgages up for renewal this year, will lose their homes. They simply cannot afford to pay the 17 per cent interest on a home.

Close to 1 million Canadians are unemployed and as the higher interest rates dampen investment and slow consumer spending, the unemployed will find it harder and harder to find a job. Small businesses that require a line of credit to operate have been put on the ropes by interest charges that are nothing short of usury.

Farmers, who must borrow because of the high cost of land and modern machinery, are being ruthlessly gouged by the banks. Young families trying to start a home, and any consumer making a major purchase, suffer as a result of the high interest charges. And, Mr. Speaker, the list of those hurt goes on and on.

Mr. Speaker, the climb in the interest rate is something which is clearly within the control of the federal government. Federal statute permits the Minister of Finance to instruct the governor of the Bank of Canada on the setting of interest rates. If the governor of the Bank of Canada cannot live within the wishes of the federal government, there is an obvious remedy which has existed since the time of the Coyne affair in the early 1960s.

At that time, Prime Minister Diefenbaker and Finance Minister Donald Fleming had policy differences with James Coyne, the governor of the Bank of Canada. The differences resulted in Coyne leaving his position and the federal cabinet having its policy implemented.

It is well established then that the federal government is responsible for the rate at which interest is charged by the Bank of Canada. This is important because the chartered banks closely follow the central bank in setting their own lending rates.

Now, Mr. Speaker, you might be wondering why it is we have high interest rates in Canada, if the chartered banks follow the lead of the Bank of Canada, and the Bank of Canada is the direct responsibility of the federal government, and the federal government is formed by a political party which is opposed to high interest rates (as both the Conservatives and Liberals claim to be). Well, Mr. Speaker, I will tell you why. It

is because the Conservatives and the Liberals have not been honest with the people of Canada.

During the election campaign last spring for the May 22, 1979 federal election, the Conservatives vigorously attacked the Liberals for raising interest rates. Bank of Canada Governor Gerald Bouey also drew criticism, Tory Leader Joe Clark said the high rates were doing serious damage to the Canadian economy. John Crosbie said Canadians were being crucified by high interest rates. And they were right.

Between the first week of March 1978 and the May 22, 1979 election, election interest rates had been increased seven times : — from a little over 7 per cent to above 11 per cent. But once the Conservatives were in office, what did they do? Did they lower the rates as they promised? No, they didn't. Did the Clark government at least hold the rates level to give all of those who must use credit a breather? No, they didn't do that either, Mr. Speaker. What they did do was this. On July 22, they raised interest rates to nearly 12 per cent. On September 7, they raised them again to over 12 per cent. On October 9, they raised them again, this time to 13 per cent. And just two weeks after, the Tories raised the Bank of Canada interest rate to a full 14 per cent.

So there you have it, Mr. Speaker, the Conservative government at work on its campaign promise to reduce interest rates. When the Clark Conservatives officially came into office on June 4, 1979, the prime lending rate of the Bank of Canada was 11.25 per cent. By October of that year they had raised the rate to 14 per cent.

Now, Mr. Speaker, that is Tory performance. After campaigning long and hard against the Liberals raising interest rates, the Conservatives came into office and promptly made four upward adjustments in for months. And when they were through with that, the Conservatives reappointed Gerald Bouey as governor of the Bank of Canada : — the architect of the high interest rate policy.

As we all know, Mr. Speaker, high interest rates often correspond to high bank profits. That was certainly the case last year when most of the chartered banks had their best year ever.

If the Clark government would have had even a full year in office, every major stockholder of the chartered banks could have retired and lived in luxury on their stock dividends alone. And, of course, Mr. Speaker, all that while the Clark government was busy raising interest rates. All the time the Clark government was busy raising interest rates, the Liberals were just as busy condemning it as an economic calamity. They attacked each increase with the vigor and energy of true converts who had seen the light. But when they went back into office, what did they do? Well, on Monday, March 10, 1980, only three weeks after the last general election, the Bank of Canada announced that the bank rate would float and interest rates promptly began to float upward : — on last March 11 to 14, 19 per cent; on March 20 to 14.79 per cent; on March 27 to 15.49 per cent and on April 3 to 16.2 per cent.

Since that time the lending rate has decreased slightly but since the current Trudeau Government came into office, the Bank of Canada prime rate has gone up 11.93 per cent over what it was last February 18. And just in case members opposite think that is a disgusting record, and it is, I would remind them that the prime lending rate increased 24.4 per cent during the brief term of office of the Clark government.

Mr. Speaker, high interest rates hit low and middle income Canadians the hardest. They

hit farmers, small businessmen, home-owners and consumers. They do not hurt banks who profit from them or wealthy individuals and large corporations who have the resources to ride out fluctuations in the interest rates and to profit from speculation. Joe Clark and Pierre Trudeau's policy of record-high interest rates is driving farmers off the land. Saskatchewan farmers have outstanding debts of just over \$2.5 billion an average of nearly \$40,000 a farmer. The interest payments on an average \$40,000 farm operating loan have increased by over \$100 a month, reaching close to \$1,200 a year. The Liberal high interest rate policies had many Saskatchewan farmers on the ropes, already staggered by the \$260 million in interest payments last year. The additional \$80 million that will be squeezed out of them this year in interest payments will in some cases deliver the knockout blow.

Home-owners and potential home purchasers suffered greatly from the Clark and Crosbie version of biting the bullet and they are clearly in for more of the same under Trudeau and MacEachen. A \$50,000 mortgage on a new home costs at least \$150 more a month in interest than it did last year. The total cost of a 30-year, \$50,000 mortgage has increased by about \$75,000 to over \$230,000. Many Canadians have been forced to sell their homes and many others who could have afforded a home when the Clark government took office have had to postpone their plans or put off buying a home indefinitely.

Mr. Speaker, for the reasons I have cited, I am very pleased to second the motion.

MR. P. ROUSSEAU (Regina South): : — Thank you, Mr. Deputy Speaker. I am not at all surprised that this motion is introduced by two backbenchers, the member for Assiniboia-Gravelbourg and the member for Cut Knife-Lloydminster. There isn't a minister in the House who would dare bring forward such a motion. The members who did introduce and second the motion are not in a position to defend the government's policies. However, where a minister would have to answer for the policies of his government, they are strangely silent and I am sure that they will remain silent after I sit down.

There is no question we would agree, Mr. Deputy Speaker, the small businesses in this province are certainly in trouble and many of them are in bankruptcy, in financial difficulties. There is no question in our minds that the farmers of the province are in dire need of help at this point in time. There is no question in our minds that the homeowners of this province are in trouble. As the member for Cut Knife-Lloydminster indicated, some are paying \$150 a month more for mortgages. We agree; that is right; that's in interest; that's absolutely right. As we discussed in question period today, the forest industry is in trouble, deep trouble in the North; again it relates to the construction industry. Now they tell me the credit unions in this province are in trouble. Strange the credit unions should be in trouble, but not banks; that's difficult to understand.

We totally agree and we have been saying it to this government now since this session began . . . That's right, they are in trouble. We have been asking this government to come up with some answers, to come up with solutions, to provide some kind of help, some financial assistance. They have been very, very silent; no indication of assistance in any way, Mr. Deputy Speaker.

The fact is if this government had not taken all the money they could put their hands on and placed the people of this province in debt forever in commitments for future debts,

investing all of this into the potash and uranium (all our non-renewable resources), leaving absolutely nothing for the renewable resources industry . . . Mr. Deputy Speaker, that's why they can't help the farmers; that's why they can't help the small businessman; that's why they can't help the home-owners; that's why they can't help those renewable industries which need help today, like the forest industry, the credit unions, the co-operatives.

Alberta was able to give assistance to the Alberta farmer. I understand it was to the tune of \$200,000 in start-up loans. They have a heritage fund which they can draw from, but you don't. Alberta was able to provide assistance; British Columbia was able to provide assistance to home-owners on a first-time mortgage, which in turn helped the forest industry in British Columbia. They recognize the problem of interest rates the way they are, but they were able to do something about it, but not this government.

It was strange how silent (not totally silent, but how quiet) the two members spoke of the Liberal policies regarding interest rates but how vociferous they were on the Progressive Conservative policies on interest rates; strange how the Liberal government which has been creating the chaos and havoc and problems since 1968 and a Conservative government which tried to put on some brakes last year . . . (inaudible interjection) . . . were there for six months, with absolutely no help from them. But I guess it's because we have a Conservative opposition on this side of the House that the members over there were a little quiet when it came to criticism toward the Liberal Party, but very, very vociferous when it came to criticism of the Conservative Party. They accused corporations of price fixing. Well, I guess that's a good shot. There's not much difference of course in Crown corporations which you control on that side. If you don't call that price fixing I don't know what price fixing is. There are monopolies throughout this province through which you fix prices. We have called for, and I reiterate (we've called for it twice, but it fell on deaf ears), a public utility price review board where those costs could be controlled. That's where they could best be controlled.

We've asked the government to consider decreasing the sales tax in this province. Again the request falls on deaf ears. So, Mr. Chairman, without dwelling on the motion too long I want to say to the members who introduced this motion, it leaves very little credibility on the part of the government.

It's all very easy to kick somebody else but when it comes time to do something constructive they turn their backs on the people of Saskatchewan, and offer absolutely no assistance whatever, not in any way, shape, or form. They do not even help to expand the renewable resource industry. They have only one mind or one tunnel they are heading into and that is the non-renewable resource industry which all the money is being poured into at the expense of the taxpayers of this province.

Mr. Deputy Speaker, I would like to move, seconded by my desk-mate and colleague, the member for Rosetown-Elrose (Mr. Swan), that the resolution be amended by adding:

And that this Assembly also condemn the Government of Saskatchewan for failing to offer economic relief to the home-owners, the farmers, the small businessmen of Saskatchewan during this time of economic hardship.

SOME HON. MEMBERS: : — Hear, hear!

MR. H.J. SWAN (Rosetown-Elrose): : — I listened with interest as the two members were

speaking today and criticizing the federal government. That is perhaps one of the easiest things to do because the federal government is not here to defend itself. So they criticize them; it is very nicely done.

But I think what we should be looking at is what's happening in this province. We have on this side of the House time after time raised the lack of activity by this government, the lack of activity to support the farmers and the small businessmen, the home-owners in time of crisis.

Each time I raise it we get absolutely no response from your side, except to say it's a federal government issue; we don't do anything. Other provinces have seen fit to do something and I believe that something could be done in this province.

When I raised the issue of the farmers with the Minister of Agriculture, the only thing he proposed was that he'd increase the maximum on the FarmStart loans and put more money into land bank. Now, that's really not a very big answer. You increase the loans in the FarmStart area. That applies only to people in the agricultural industry. The agricultural industry in this province is depressed at the moment. People don't want to put more money into livestock because they're finding every animal they have on the place is costing them money. So you're not going to assist them by providing more funds in any area already losing money.

We asked you to do something in the area of providing a little extra money during seeding time. We asked you at least to support a motion along with us that the grain producers be allowed the over-delivery privileges to help them finance fertilizer and purchase farm chemicals at a time when money is indeed in short supply. If you talk to people around this province, you'll find more people are going to seed a crop this year without fertilizer because they haven't funds to buy it.

This government won't make any move. They won't assist the people in the farm industry. They'd rather put more money into land bank so that when the farmers are going broke, they can come up with the idea, we'll buy a quarter of your land. That's some help. I don't need the government buying my land and other people don't want the government buying their land either. It's a very false thing when you state you have \$25 million in land bank because you over-expended a year ago. Though you may be voting \$25 million, most of it's committed and there are very, very few dollars for new people who might want to sell.

So the two programs you put forward as beneficial to the agriculture industry don't hold water. Basically, they are a couple of programs we could do without.

As for the proposals of the NDP government with regard to interest rates federally. I don't believe they could have carried them out had they been elected; but they knew they weren't going to be elected so they could say anything they liked. That's exactly what they did. I know of no government elected in this province or federally or anywhere else that has fulfilled all of its promises in the first six or eight months after election. You make promises to fulfil during a term of office which is normally four years. You can't fulfil that in a very, very short space of time.

When you speak of the large businesses, the multinationals, the banks and so on doing so well, I think it's time you start including some of the Crown corporations. You're telling us how big they are. I think if they are indeed that big, when you are taking slams at others for doing so well because of high interest rates, perhaps you should suggest

that some of these Crown corporations are doing well because interest rates have risen. I don't know why they wouldn't because they don't really pay interest. You give them the money from this department and that department by the back-door methods you've been using and you don't charge them interest rates. How could they help but do well. I think that as long as the Crown corporations are going to grow to the extent they have in this province, you're going to have to look at them in the same light as you do the multinationals. Indeed you're moving in the direction of becoming a multinational when you join forces with other large companies to develop different potash mines and uranium mines and so on.

Mr. Speaker, I don't believe the government is serious about the plight of the people in this province. I believe they're just paying lip service. I feel this motion should be debated at great length. We have other things on the order paper and I beg leave to adjourn debate.

Debate adjourned.

Resolution No. 13 : — Student Aid

MR. C.O. WHITE (Regina Wascana) moved, seconded by the member for Saskatoon-Sutherland (Mr. Prebble):

That this Assembly urge the federal government to provide increased financial support to needy students attending post-secondary institutions, through the introduction of a bursary program to supplement the federal student loan program.

He said: Mr. Deputy Speaker, I had prepared a very long speech and a medium length speech. I think since the gentlemen opposite will support the resolution, I will confine myself to the short one.

In moving the resolution, Mr. Deputy Speaker, I want to begin by pointing out that the federal government does provide aid to post-secondary education in the province. It provides funds for repayable loans to students in post-secondary institutions. It does not, however, supplement loans with non-repayable bursaries. Secondly, provisions for loans by the federal authority are such that they are doing progressively less year by

year to aid needy students financially.

Permit me, Mr. Speaker, to explain the operation of the loan bursary system as it exists in Saskatchewan today. The federal and provincial governments co-operate to promote accessibility to a post-secondary education by providing money for loans and bursaries. The federal government provides the bulk of the loan money. The Saskatchewan government puts up the funds for non-repayable bursaries. Those funds are distributed to students on the principle that students whose financial resources, and dependent students whose family's financial resources are most meagre, are entitled to most assistance.

Under the existing system a needy student can obtain a loan of up to \$1,800, and a bursary during the same year of up to the same amount. That is a potential \$3,600 to finance an education. The first \$1,000 of aid provided is in the form of a loan. The next \$1,600 or portion thereof is divided 50-50 between loan and bursary. Established needs of a student beyond \$2,600 up to a maximum of \$1,000 is provided solely in the form of a non-repayable bursary financed by the province alone.

In establishing a student's need, increases in the costs of room and board, of books, of fees, of transportation and so forth are taken into consideration each year. Such costs have been rising almost constantly because of inflation. Considered as well is the student's income from summer employment, though not necessarily all such income. Also taken into consideration in establishing need is the income and size of the family of which the dependent student is a member.

Mr. Speaker, I want you to note that under the existing system, as the cost of a post-secondary education increases, the provincial government bears a larger and larger share of the financial aid to students. The ceiling on federal loans has not been altered since 1975. While students have covered part of their increased costs by taking larger loans, about two-thirds of the increased expenditures on student aid is being absorbed by the bursary side of the system, that is, by the provincial government. In 1978-79 for example, bursaries to university students rose an average of \$150, and loans by an average of something like one-half of that amount.

Some, including the federal government have suggested that a solution to the students' financial problems may be obtained by raising the student loan ceiling. Students have replied that such a procedure is not at all desirable. Let me read you something of what the National Union of Students has to say on the Canada Student Loan Plan. How better can one make the students' criticism of the Canada loan program clear than to quote from them? I want to put on the record (and I think it will save time) exactly what the students have to say, so I will quote fairly extensively from here on, but I want members to understand exactly the problems as the students see them. This is from the National Union of Students' brief, in September, 1979, and it is on the Canada Student Loan Program. I will read just parts of it here:

Students are disappointed at the progress being made to improve the student loan program in Canada. While little progress is made, accessibility to post-secondary schools in the country is continually eroded. It is clear that the present student aid program does not ensure that all qualified students have the opportunity to reach their educational potential. Students and their representatives are appalled that since Ottawa first launched measures in the summer of 1974 to bring about long term changes in the Canada Student Loan Program, a generation of post-secondary students has come

and gone. Canada is no closer to this desperately needed reform in 1979 when the financial predicament of post-secondary students has reached a crisis situation.

The federal government has yet to address even short term changes put forward by students' representatives that could help correct a quickly deteriorating situation, while maintaining an eye to long-term improvements in a new national plan. The only response to student request for improved financial aid schemes has been the federal attempts to raise the loan ceiling.

In the spring of 1978, the Secretary of State introduced Bill C-37 in the House of Commons. This act would have raised the loan ceiling from \$1,800 to \$2,400. The ceiling had been raised in 1975 from \$1,400 to \$1,800. Students throughout Canada protested this move to increase, on the grounds that it would only encourage greater debt. The federal government refused, however, to amend the bill so that other administrative changes, reforms of value to both recipients and governments, could be passed without the loan ceiling increase. Instead, the bill was dropped and introduced one year later as Bill C-39.

That particular bill was dropped as parliament adjourned to prepare for the federal election. The students, I might add are rather discouraged by this.

Inequity pervades in any plan based on loans since the sacrifice required increases as the students' financial resources decrease. A survey of drop-outs and stay-outs done by Statistics Canada in Co-operation with the Department of the Secretary of State in 1971, showed that nearly 30 per cent of the students who claimed that money problems prevented them from continuing at university were unwilling to borrow money for this purpose.

Another study entitled, Student Aid and Access to Higher Education, reported: 'a strong feeling against borrowing among high school students' and that 'in almost all classes of students, fewer students would continue under the borrowing plan than would if no assistance was available.'

We believe no aid plan, even the best administered, will make a lasting impression on the equality of access unless it places all students on an equal financial footing. Present aid systems do not meet this goal because they are based on loans. We believe the unwillingness to accumulate debts while pursuing post-secondary studies has increased in the face of greater summer and graduate unemployment.

A report submitted in 1971 by the student aid subcommittee of the Council of Ontario universities clearly articulates the error of the student aid system dependent primarily upon repayable loans and here is a quotation from it.

One of the major factors encouraging the existence of a self-perpetuating, poorly educated, socio-economic group is the lack of conviction by students with such a background that they should invest in a higher education. If a students' assistance program does not consciously provide for such encouragement then it is not a scheme that addresses itself universally to all. Rather it speaks only to those who are already convinced of the value that higher education policy presents. The structure as it now stands leaves the

provision of student bursaries the responsibility of provincial governments. It makes little sense that the availability of bursaries is dependent upon the relative wealth of the province in which the student resides.

We (and this is the national student union) urge the federal government to move now to replace the Canada loan program with a student aid program that better addresses itself to improving the accessibility to post-secondary education. The program should be a national plan that eliminates the need for a combination of provincial programs and a federal program. Integration of student aid would allow students a better opportunity to study in other provinces, the elimination of regional differences in student aid disbursements providing some equitable assistance based on need, and a constant nation-wide administrative criteria. The benefits would be to administrators of the program as well as to the students.

It should be noted here that a national student plan need not interfere with the development and operation of the provincial education system. At the same time it should also be noted that there does exist a correlation between post-secondary education and economic development. The federal government is responsible for economic development and is therefor legitimately concerned with ensuring Canadian citizens have the opportunity to avail themselves of post-secondary education. Education is the key to social, cultural and political development in Canada. The plan should include provisions for all types of students from technical students to graduate and academic students, allowing for assistance to part-time as well as full-time students. The plan should further include the provision of federal bursaries.

We have already outlined the inconsistency of a loan-based program with expanding accessibility to education. We are confident that if the governments of this country are committed to their support for accessible post-secondary education, they will have to move towards a federally funded, all-bursary student aid program. Such a program will overcome the inequities of the present program that assigns a disproportionate amount of the cost of education to the individual, discouraging participation of low and middle income Canadians and forcing them to accumulate large debts. We should also emphasize here that it is not a student's desire to see more tax revenue allocated to students' assistance at the expense of old age pensions, health care and other essential social services.

Students know that discussions of proposals for a new student aid program are continuing. We want to reaffirm our position that students should be involved through their representative organizations in decisions which will lead to a new student aid plan for Canada. Discussions of the new aid program cannot be divorced from the immediate problems with the current program. There continues to be a number of short-term changes that will have to be made in the Canada Student Loan Program until a new plan is developed.

And the brief goes on to speak about student participation, the special problems of part-time students, of handicapped students, women, problems created by the requirements for residence in a province, the classifications of applicants, student contributions, what they are expected to save from summer employment, allowable

expenses, low in repayment, low in ceilings and the likes of that.

Well, I could go on, Mr. Speaker, and deal with the brief. I have the brief here from the student union in Saskatoon. They touch on a number of these points. It is shorter. If anyone is interested in it, I have a copy here. And there is an even briefer brief (you might say) from the student union in Regina. They raise some of the same points as in the brief by the National Students Union.

More recently, Mr. Speaker, the National Union of Students took up the matter of the Canada Student Loans Program with the Council of Ministers of Education (Canada). In November 1979 they submitted a paper to that body. I want to give you a little bit more of what they say. Some of the ideas they express here are slightly different. And then I will conclude.

They have this to say, Mr. Speaker:

Given that tuition is being increased and the cost of living continues to rise, government student aid plans fall short of the real needs of students and potential students. Our presentation, as one national group to another with national responsibilities, will focus on the need for immediate short-term changes in the Canada Student Loans Program and for the development of a new national plan which will provide adequate financial assistance to all Canadians irrespective of their place of residence or choice of schooling, rather than on the inadequacies of our provincial student aid plans.

It is becoming increasingly obvious in recent years that the federal government is unwilling to make any changes to the present student aid legislation without prior consent of the provincial ministers of education. Despite many representations made to the federal government by the National Union of Students on behalf of Canadian students. Ottawa has failed to improve the Canada Student Loans Program so that it may better meet the objectives criteria: 'to ensure that all qualified students have the opportunity to reach their educational potential.' We, therefore, turn to you, the Council of Ministers of Education (Canada) and urge that, in the national interest, you press for immediate changes to the Canada Student Loans Program and begin developing a new national plan to make post-secondary education accessible to all Canadians in every province.

The fundamental problem with the Canada Students Loan Program is that loans are central to the program. Loans are a way of letting the student use future resources, rather than current resources, to pay the price of post-secondary education. The federal plan provides the student with available cash, which soon accumulates into a massive debt, to be repaid six months after graduation.

Inequity pervades any plan based on loans since the required sacrifice increases as the students' financial resources decrease. A survey of drop-outs and stay-outs done by Statistics Canada in co-operation with the Department of Secretary of State in 1971, showed that nearly 30 per cent of the students who claimed that money problems prevented them from continuing at university were unwilling to borrow for this purpose. Another

study entitled Student Aid and Access to Higher Education reported 'a strong feeling against borrowing among high school students' and that 'in almost all classes of students, fewer students would continue under a borrowing plan than would if no assistance were available.'

We believe no aid plan (even the best administered,) will make a lasting impression on the equality of access unless it places all students on an equal financial footing. Present aid programs do not meet this goal because they are based on loans. We also believe that unwillingness to accumulate debts while pursuing post-secondary studies has increased in the face of greater summer and graduate unemployment.

The need to develop a new national student aid plan based on grants, instead of loans, is obvious. But we understand that there are problems in financing an administration of such a program that must be resolved before it can be put into place. The federal-provincial task force on student assistance, recently established by the Council of Ministers of Education (Canada) and the Secretary of State David MacDonald, is an important step toward implementing changes to the present system of student aid. However, the work of the task force will be fruitful only if there is a real commitment on the part of all governments involved to develop a new student aid program rather than simply to bring forward proposals for long-term changes in the Canada Student Loans Program.

The National Union of Students, in concert with the British Columbia Student Federation, the Federation of Alberta Students, the Saskatchewan Federation of Students, the Manitoba Association of Students, the Ontario Federation of Students, and the Students Union of Nova Scotia, urges the Council of Ministers of education (Canada) to publicly state its commitment to replace the Canada Student Loans program with a new, national student aid plan which will make Canada's post-secondary education system universally accessible.

Students received news of the establishment of a federal-provincial task force on student assistance with ambivalence. On the one hand we are encouraged both levels of government have agreed to examine the total question of student assistance, including student debt load, portability, and accessibility to post-secondary education. On the other hand, students are distressed to learn, after the initial communiqué announcing the establishment of the task force was released, that no provision has been made for direct student representation on the task force; no provision has been made for direct representation of financial awards officers on the task force; and no provision has been made for the task force to hold public hearings on student assistance on our campuses and in the community.

Students have already witnessed the work of several government task forces on a number of educational topics, including student assistance. In 1974 the Council of Ministers of Education (Canada) established a federal-provincial working group on student assistance to investigate student aid plans and propose changes to them. The next year three alternatives to the Canada Student Loans Plan, discussed by the federal-provincial working group, were subject to another CMEC task force investigation. This time federal participation was limited to supplying resource people.

The report outlining the findings of these task forces was never published or released to the public. The proposed changes to the Canada Student Loans Program were not implemented. The only response to student requests for an improved financial aid scheme has been federal attempts to raise the loan ceiling : — a move which continues to be unacceptable to students and which even you, the Council of Ministers of Education (Canada), said would have a negative long-term effect.

Direct student representation on the federal-provincial task force would ensure that the needs and concerns of the users of financial assistance, the students, are taken into account in the formation of proposals for changes in the present student aid system.

Input from students and their organizations in the form of briefs or presentations to the task force is not adequate. Students do not want to be mere observers and passive participants in the proceedings of the task force. We want to be included in the process of gathering information, digesting it, and developing proposals for a new student aid plan.

The brief goes on again repeating some of the things said earlier.

There I think, in brief, are the criticisms by Saskatchewan students and Canadian students of the Canada Student Loan Program and their justification for institution by the federal government of a bursary program.

They have, I think, the support of the hon. member for Lakeview, the Minister of Education, for a federal bursary program. And it's high time such federal aid to post-secondary education was forthcoming.

In closing, and I don't want merely to go back to the '60s or to the '50s or to the '40s to show that these types of requests have been made of the federal government in the past. If you just want to look at the Saskatchewan Teachers' Federation brief to the royal commission on dominion provincial relations (the Rowell-Sirois report) in 1937 you will find that they were making some of the same requests pointing out the need for federal and the responsibility of the federal government where education and post-secondary education was concerned.

Mr. Speaker, in the light of what I have said, I would urge the House to unanimously support his resolution.

INTRODUCTION OF GUESTS

HON. N. VICKAR (Minister of Industry and Commerce): : — Mr. Speaker, it's my pleasure this afternoon to introduce to you and to the members of this legislature a distinguished group of six businessmen from Japan who are visiting Regina as guests of the Regina Rotary Clubs. They are accompanied today by a few Regina Rotarians who are helping by providing transportation for their tour in the city. These businessmen are visitors to Canada under the group-study exchange program of Rotary International. Many of you, I am sure, will be familiar with the Rotary Club and its goals of encouraging and fostering the ideals of service as a basis for worthy enterprise.

One specific Rotary goal is the advancement of international understanding goodwill and peace through a world fellowship of business and professional men united in the ideal of service. Mr. Speaker, this group will spend five weeks in Canada and approximately three of these five weeks will be spent in Saskatchewan. During this time, these distinguished visitors will stay with Canadian hosts and will have the opportunity to study our country, its people and the institutions. They will meet and share fellowship with many citizens of this district and will, I am sure, develop a solid understanding of Canadians and form lasting friendships.

Mr. Speaker, I am sure that you will join with me, as well as all other members in this Legislative Assembly, to welcome this distinguished group and wish them an enjoyable, educational and memorable visit to the Legislative Building, to the city of Regina and the province of Saskatchewan.

HON. MEMBERS: : — Hear, hear!

MR. E.A. BERNTSON (Leader of the Opposition): : — Mr. Speaker, just to add briefly to what the minister has said, I would offer on behalf of the official opposition our good wishes and I am sure that you will enjoy your stay in Saskatchewan and find it to be very informative.

While I am on my feet, I would like to commend your host, Brian Keple and his activities with Rotary, and I think that you couldn't have found a finer host. I am sure that the members of the legislature will join in welcoming him here as well. Thank you.

HON. MEMBERS: : — Hear, hear!

Resolution No. 13 (continued)

MR. P. PREBBLE (Saskatoon-Sutherland): : — Mr. Speaker, it's my pleasure to second the motion put forward by the member for Regina Wascana. I think it's an appropriate motion to be put forward by a member of the New Democratic Party, for I think all members of the House will recall that in 1949 the CCF under Tommy Douglas established Canada's first student loan program.

At that time an amount of approximately \$1 million was put into the program to set it up. Today we've moved to the point where under the Saskatchewan Student Bursary Program in 1978-79 over \$2.7 million was awarded in bursaries over the course of the year and the number of students receiving them was over 4,400.

In addition to that, to lay out the picture as it now exists in Saskatchewan, I think it's important to note the government through its funding for the University of Saskatchewan also provides moneys for graduate scholarships and for undergraduate work. I know in Saskatoon the amounts exceeded \$1.4 million in the 1978-79 year, and they were over \$300,000 at the University of Regina.

In addition to that there are a number of grants and bursaries made available to students at the technical institutes and to graduates from Saskatchewan high schools, who are awarded \$200 grants in recognition of outstanding academic performance. There are a number of other bursaries with respect to teacher education for assistance to teachers who wish to specialize in particular fields. There are bursaries available to medical students and to dental students who are specializing in particular areas. There

are also a host of other bursaries in the library science and public health fields.

Having laid out the areas in which the provincial government is now providing assistance, I think the thrust of this motion is clearly with respect to the fact that given the initiatives taken by the provincial government in the bursary field over the last number of years, it's high time the federal government began to pull its weight in this particular field and start putting forward some of the additional money clearly needed with respect to student assistance. I think a number of recent events show the need for increased federal support. One of the most alarming things university students witnessed over the last two years was the proposal by the federal government, to which my colleague has made reference, with respect to increasing the loan ceiling so that more money would have to be borrowed before students would be eligible for a bursary.

I think it's important to understand how the national task force in part came about. The federal government was proposing to review and increase the loan ceiling. At the time, our Minister of Continuing Education emphasized that before such a step was done, a step which he indicated he opposed, there was a need to fully review the Canada Student Loan Program with a view to improving it in a number of areas. It was, I believe, Mr. Speaker, as a result of the initiatives taken by our own Minister of Continuing Education that the national task force was set up, and briefs have been submitted to that task force over the summer. I should also point out that members on this side of the House and I urged the Minister of Continuing Education at the time to ensure that student representation would be on that national task force. The minister made strong representation to ensure students would be represented on the national task force reviewing student loan policy. Members of the Liberal government when it was in power (it is in power again now) and the Conservative government at the time, were not open to the suggestion of student representation. I think that is most unfortunate, Mr. Speaker.

I think basically the situation can be summed up by noting that the \$1,800 loan and ceiling established by the federal government has been in effect over the last four years. We have seen no movement, no increase from that \$1,800 figure. Yet at the same time, we've seen a very substantial increase in the costs all students face. It is high time the federal government moves to increase the amount of assistance available to students. Clearly given the escalating cost of living which all students are facing right now, it is inappropriate to make that additional assistance available by way of a loan. Rather, the appropriate way to make assistance available is by moving into the bursary field by the federal government beginning to make a contribution with respect to student bursaries and not leaving it entirely up to the provinces.

The other thing which becomes most evident, when one reviews the applications made for assistance here in Saskatchewan by Saskatchewan students, is that out of the approximately 5,700 applications for assistance received, there are at least 300 or 400 cases in which the current total amount available by either loan or bursary of \$3,600 is clearly insufficient to meet the special needs of the students involved. I think this is again another argument for not only increasing the total amount of assistance, but increasing the amount of bursary available.

The Saskatchewan government in recent years has increased the bursary it provides from \$1,400 to \$1,800. As I say, with the recent initiatives taken by the provincial government in this field, it is high time the federal government takes some responsibility with respect to the provision of bursaries.

I want to make a couple of other points which I think speak very much in favor of a national bursary system, rather than one administered simply by the provinces. One of the areas of special concern to many students relates to residency requirements, Mr. Speaker. Right now bursaries are not available to students who choose to study outside the province, particularly if their field of study is on subject matter they could take in Saskatchewan. I think in a time of uncertainty with respect to national unity, at a time when we need to be encouraging students to become more familiar with other parts of the country and to study in other provinces, it is important to have a student assistance program which will allow that kind of activity to take place, without the assessment criteria varying from province to province, without a student becoming ineligible for assistance because he or she chooses to study in another province. That is one of the strong arguments for a national bursary program.

Mr. Speaker, as the Minister of Continuing Education pointed out, he has made these proposals to the federal government. The federal government, both during the short time the Conservatives were in power and during the time the Liberal government has been in power over the last many years, has failed to act on these suggestions. I think that is most unfortunate. I'm hopeful this kind of resolution with support, I'm glad to see, from both sides of the House, will lead to the federal government reconsidering its position on this matter.

There are some other areas, Mr. Speaker, I think are important for the federal government to address when it's looking at a bursary program. One thing I think particularly important is the need to provide special grants and bursaries to handicapped students who inevitably incur special costs as a result of their handicap and right now are not receiving the kind of special assistance they need. I think this is rightly an area that the federal bursary program could make a contribution.

I think, Mr. Speaker, these are clearly some of the points that show the motion is one that is long overdue; one that's very appropriate at this time. I think my colleague, the member for Regina Wascana, has done a fine job of making the basic case. I think these points supplement it. I look forward to the support that I understand the opposition is also going to give this resolution. I'm happy to second the motion, Mr. Speaker.

MR. D.G. TAYLOR (Indian Head-Wolseley): : — Mr. Speaker, the last speaker seems a little presumptuous in where his support is in this legislative Chamber. It makes me amazed to sit here this afternoon and listen to the two supposedly learned gentlemen on the other side get up and blame the federal government for not supporting higher education. They both know as well as I do, that by the BNA Act the jurisdiction for education was given to the provinces. I think, especially at this time in our . . . (inaudible interjection) . . . history, thank you, I was wondering what this was. It was history. I was going to say within our lifetime but if you like history, we'll use history.

In this time of pinched conditions, where we hear about interest rates, restraints, budgetary restraints, we see the federal government with the \$70 billion budget. We know we have a huge national debt. We see the government opposite telling us how well we're doing with the resource revenues in this province. I say fellows, isn't it high time that the provincial government, the one given the authority under the BNA Act for education, took some of its responsibility and provided the necessary funds for post-secondary education through student loans or through bursaries?

We on this side of the House support higher education. We want to see people get an

education, an education within this province. I took amusement at the last speaker's comments where he wanted a bursary program accessible throughout Canada. I think it is out policy in Saskatchewan (is it not, Mr. Minister of Continuing Education?) that you will only receive a bursary for a course within this province if it is offered here. I mean you can't go to take a course in Manitoba that's offered in Saskatchewan and get a bursary for this. It seems to me that's the policy of the government opposite. There's this fellow in the back row standing up and saying, let's spread it all over Canada. I think the Minister of Continuing Education should just educate him on some of the policies of the government opposite.

I do agree with you to a certain extent that maybe the ceiling for loans has to be raised. I was a student once as was the member for Regina Wascana. I imagine he had tough times getting through financially as did many of us. If they have not been raised since 1974 I think it was you said, or '77, (I stand to be corrected) maybe this is a legitimate request that the loan ceiling be raised. Certainly it's costing students more to be educated and to pay their board and room and whatever their necessities of life are, than they were three or four years ago.

I notice in the comments of the member for Wascana that every statement he made was from the students' union. I heard nothing about the viewpoint of the taxpayer or the person who has to pay for this. I say that I don't think we are any longer in what we called the free lunch society. I think we all agree to this sort of thing : — I'm in favor of student loans; I had student loan when I was a student. But I wonder if we should just have more complete bursaries. I think we're quite willing to give aid to the sincere student who wants to go on and equip himself academically. But I didn't hear any comment from the other side, not one comment on academic achievement or academic excellence. All I heard was that the federal government is the big bogey man because it won't come up with more money for higher education.

I heard the member for Wascana say it is the federal responsibility for economic development and for social development and for cultural development. Well, we on this side of the House think there's a little bit of responsibility with the Government of Saskatchewan for economic development, for social and cultural development. So I won't take too long; I think I've made my points that, at this time, I think it is ridiculous to be continually blaming the federal government. You want stabilization programs; you want us to control our resources; then I say let's use the resources of Saskatchewan to educate the children in Saskatchewan and quit trying to milk the federal cow.

MR. R.A. LARTER (Estevan): : — Mr. Speaker, there are many things that I would like to speak on in this motion, but there are a few more pieces of research I would like to do so I beg leave to adjourn the debate.

Debate adjourned.

Resolution No. 14 : — Intersarsity Athletics

MR. J.L. SOLOMON (Regina North-West) moved, seconded by the member for Saskatoon Eastview (Mr. Poniatowski):

That this Assembly urge the federal government to revise its recent decision to substantially reduce financial support for intersarsity athletic programs operated co-operatively by western Canadian universities.

He said: Well, Mr. Speaker, I'm pleased to rise and move a resolution today which deals with financial support for intervarsity athletic programs, a little bit different from the motion that was previously discussed, which was concentrating more on federal involvement in bursary programs. But this issue is quite relevant to this House and to this province and to many young people who are now involved in athletics in Saskatchewan. It's unfortunate that under the short-lived Tory government of Joe Clark one of the few things they managed to accomplish was to reduce funding for inter-university travel in Canada by more than 50 per cent, from \$0.5 million in 1978-79 to \$203,000 for 1979-80. This action forced the University of Regina to eliminate the interconference basketball program and cut the interconference hockey program in half. More importantly, the implications of this severe cutback affected all inter-university athletic programs from the Lakehead west to British Columbia : — a clearly irresponsible action in my belief, by a Tory federal government with adequate representation (members opposite believe) in cabinet by western members of parliament. I submit, Mr. Speaker, adequate only in numbers.

The current retread federal government seems at this point in time to want to follow the same eastern oriented course of action as the previous short-lived Tory government. I'd like to provide some background on this issue to the members of this Assembly at this point. The University of Saskatchewan underwrites the cost of construction, maintenance, operation and outside rental of all athletic facilities. The university's operational budget supports the full salaries of all administrators and coaches for the athletic program. In addition, the university operational budget matches student contributions of \$5 per student to a figure of approximately \$7,500 annually. In 1978-79 and again in the subsequent fiscal year, '79-'80, the university provided an additional temporary \$30,000 grant to the program. The balance of revenues comes from moneys generated by our athletic patrons program which is approximately \$15,000 by gate receipts and federal government assistance.

There is little question that current economic constraints confronting our universities will result in the dissolution of athletics if assistance is not forthcoming from the federal government.

It is particularly unfortunate that this should occur in the year of Saskatchewan's 75th anniversary. It is indeed a year of remarkable sports achievements for the province of Saskatchewan. I would just like to highlight a few over the past month or two : — the Marj Mitchell rink won the world ladies' curling championship in Sweden; the Rick Folk rink won the men's world curling championship held in New Brunswick; the Notre Dame Hounds won the national Midget hockey championship; the province is now being well represented by a number of other hockey teams, including the Regina Pats in the Memorial Cup, the Prince Albert Raiders and the Asquith Canadians.

I would like to take this opportunity to extend my personal congratulations on don behalf of my colleagues, their congratulations and best wishes to all members of these teams for their remarkable achievements this year.

There is another team which we can particularly be proud of this year and that is the Regina Cougars, one of the university teams that is the subject of this, what I believe to be, important resolution. Mr. Speaker, some hon. members may recall that the Canadian university hockey championship tournament was held in Regina this year. It was organized by the University of Regina, which I might add, did a tremendous job. I am able to report this from first-hand experience. Mr. Speaker, I attended the

tournament and was honored to be invited to drop the puck for one of the official face-offs. The caliber of skill and sportsmanship displayed by the Regina Cougars at that tournament was outstanding and certainly commendable. I say that not only because the Cougars were runners-up in the national tournament but because the hockey fans who attended were treated to the kind of well-coached, intelligent and courageous hockey that sportscasters eulogize, a caliber of hockey which provides an example for all our young hockey players in Saskatchewan.

But this year's tournament and this year's Cougar hockey team are only a portion of the large contribution to sports made by the University of Regina. The Cougar hockey team alone has superb record. Since its inception in 1975-76, it has finished second in the Great Plains Athletic Conference once in '76-'77 and won the league championship in the following three years. In each of those years the Cougars represented the league at the Canadian university hockey championships and for the last two years were ranked in the nation's top 10. This year's team placed two members on the all-Canadian team.

The University of Regina's Couquette basketball team has also shone in its brief history. They have advanced to the Great Plains Athletic Conference playoffs for the past three years, excluding '79-'80. They have been ranked in the top ten women's basketball teams in Canada over the past three years. In 1979 they hosted and participated in the national women's Canadian basketball game. They did fairly well. They have placed two members on Canada's national basketball team, one of whom was also named all-Canadian.

Mr. Speaker, the participation of the Cougars and Couquettes in this type of national tournament with its high level of athletic competition is now threatened by the reduction of travel funds and has been over the past year.

The University of Regina and the other universities have had a difficult struggle to organize inter-university athletics in western Canada. I would now like to outline to the members a brief historical review of the organization of inter-university athletics in western Canada. Early competition saw all western universities in a single conference called the Western Canadian Intercollegiate Athletic Association, in short the WCIAA. The WCIAA originally was comprised primarily of what are now the larger and older established universities. As new universities sprang up, however, the boundaries of the association stretched from Victoria to Winnipeg. It was soon evident that universities in general could not carry the burden of travel expenses covering such a vast geographic area.

A second program recognized was the disparity of the student populations. This dictated not only extra financial burden on the smaller institutions but difficulty in fielding a full complement of teams in the association activities. Attempts to resolve the two problems identified, placed western universities in a catch 22 position. It seemed obvious that a division of the WCIAA into two conferences might resent the solution. The catch, simply put, was on the one hand, to divide the association by geographic boundaries would reduce travel assistance but it would enhance the problem of inequitable competition as both major and smaller universities would be included in each conference; and on the other hand, to divide according to institutional size, while equalizing competition and participation, would actually increase the frequency of long-distance travel as again both large and small institutions were spread from Victoria to Winnipeg. Unquestionably, a change had to be made or at least some western universities would have to bow out of intercollegiate athletics.

In the early 1970s, the division was made on geographic boundaries. Two conferences were formed, the Canada West University Athletic Association (the CWUAA) comprised of the Universities of Victoria, British Columbia, Lethbridge, Calgary, Alberta, and Saskatchewan, and the Great Plains Athletic Conference, (GPAC as it's known) which included the four remaining universities of Regina, Brandon, Winnipeg and Manitoba. Coincidentally, in order to have a five-school conference, Lakehead University, located in Thunder Bay, Ontario, which had not been a participant in the WCIAA, was added to GPAC.

It should be noted that the addition of the Lakehead University seriously disadvantaged the University of Regina within the new alignment. Being on the western fringe of GPAC, the University of Regina was forced to travel the 1,800 mile distance to the Lakehead and the U. of R. would have been as well off in the Canada West conference. Indeed because of the financial burden and for some strong philosophical differences, the University of Regina finally withdrew from GPAC. The University of Regina spent three years attempting to gain entrance to the Canada West conference and for two of those years competed in exhibition play only. The university has since returned to GPAC and is participating as a full member although competing in only seven activities.

The predictable happened with the new alignment. Inequities and competitive excellence grew but more significantly, many activities were in jeopardy of being eliminated in either or both of the two new conferences as there were too few institutions participating. For example, in GPAC the University of Manitoba was the only school participating in swimming, and the University of Regina and Lakehead were the only two universities fielding a wrestling team. A further dilemma was that in order to have a reasonable number of game sin their schedules, institutions in this new structure were forced to play each other too frequently. The result was a declining interest, declining fan support and an ensuing loss of revenue from decreased gate attendance. The two conferences instituted new discussions in an attempt to solve these problems. Their analysis of the situation, Mr. Speaker, showed three main difficulties:

1. The geographic distance even within the existing divisions;
2. Disparity in institutional size and ability to pay.
3. Obvious need, reinforced by recent experience of inter-conference play, to enhance quality of schedules.

The only apparent solution was through increased funding. In most cases, however, both university budgets and student contributions had been stretched to the limit.

Additionally, all four western provinces reported that attempts to secure provincial grant assistance had been rebuffed. The position of the provinces was that leagues and competitions which involved the crossing of provincial boundaries should be a federal responsibility. Ample funds were to be made available through Loto Canada. Finally after almost three years of negotiations, the federal government committed \$500,000 to the Canadian Inter-university Athletic Union, the CIAU for 1978-79. Their stipulation was that \$150,000 of that \$500,000 be allocated to the Atlantic University Athletic Conference and the remaining \$350,000 go to GPAC and the CWUAA. At approximately the same time, the federal Liberal government produced its green paper on amateur sport for Canada. This document issued a challenge to Canadian universities to become more involved in the sport delivery system for the elite or

international athlete. Many universities accepted this challenge and as a consequence have increased expenditures for research and training facilities for the international athlete.

It appeared the federal government and the universities had reached a common ground and that Canadian athletes in general would benefit. However, the election of the Tory government of Joe Clark intervened. Instead of the modestly increased grants of \$520,000 for 1979-80 requested to allow the Great Plains Athletic Conference to accommodate an interlocking schedule with the Canada West University Athletic Association. And instead of even a repeat of the base grant of \$500,000, verbally committed by the previous minister of fitness and amateur sport, the new Tory minister, Steve Paproski, cut back the total grant to \$290,000. Of this \$290,000 only \$203,000 was given to western Canadian universities : — a decrease of \$147,000 to implement an expanded program. This is quite an anomaly. Increased representation in cabinet by Tories and decreased priorities and commitments to the west by Tories.

I must say, Mr. Speaker, that's the same kind of contradictory Tory logic we see in this legislative Chamber. That's the same kind of logic that results in a so-called free enterprise party always crying for government intervention to change the rules which don't suit them. It's the same kind of logic which results in members professing decorum yet flouting the rules of the Assembly. In short, Mr. Speaker, it's the same Tory logic the people of Canada rejected just two months ago. Clearly the result of this outback of intervarsity athletic funding was not an expansion of services. The planned interlocking schedule for the two western Canadian university conferences was eliminated for basketball and cut in half for hockey.

Mr. Speaker, the planned interlocking schedule was not an extravagant one. It consisted of a double round-robin series; one game at home and one game away between the two conferences in hockey. A series of interlocking exhibition games and tournaments in basketball and interlocking championships in those sports were put in jeopardy because either conference had fewer than three participants. Mr. Speaker, I believe this cutback deprives dedicated young athletes of the competition they need to improve. I believe it is a disservice to the cause of athletics in Canada. I say this not only in the interests of the University of Regina. The cutback in travel grants affects all universities in western Canada and ultimately Canada's performance in world competition. Unless this policy is changed Canada will see a regressive slide from the predominant level of competition attained by many Canadian athletes prior to 1976.

I urge, Mr. Speaker, all members to support this resolution. I so move.

SOME HON. MEMBERS: : — Hear, hear!

MR. B.J. PONIATOWSKI (Saskatoon Eastview): : — Mr. Speaker, I would very much like to indicate that I'm pleased to second this resolution presented by my colleague for Regina North-West. I think he did a very good job in making his points. I would like to add a few as well. The motion put before us is one which deals with the whole question of funding that at one time was there at the federal government level. Now there's some question as to whether it's there. I will address my remarks to that point.

The importance of an interlocking university schedule is twofold. First, it ensures that sports which are not participated in by all colleges and in conferences are supported; secondly, it means our athletes have the competition necessary to develop their talents to reach their world level standards. The second point which I think is very vital, Mr.

Speaker, leads to Canada's participation in this international arena. During the past five years there has been established a positive action program on the part of the federal government, spearheaded by the establishment and the activity of Sports Canada, to place a larger emphasis on the university participation in the preparation of our world-class athletes in terms of the national scene. Virtually all of our world competitors are being trained by university campuses and many national teams are permanently housed on campus facilities in this province.

Mr. Speaker, it is well to know, and it should be pointed out, that many outstanding Canadian athletes go to the United States not because of scholarships, as you say, but because of the level of competition and coaching available there. Now, why does this happen? Let's think about that.

In an attempt to maintain and indeed enhance Canada's position internationally, grants from Sport Canada made to the universities in the maritime provinces and also in western Canada permitted the continuation of high-level competition and established interlocking schedules which would lead eventually to higher quality performances, both for participants and also for those who were spectators. Most of the intercollegiate sport costs are related to interprovincial travel and these funds were clearly earmarked for that purpose. I am confident universities can show that the funds previously assigned to them for this very purpose have major advantages.

As the member for Regina North-West alluded to, the former Tory minister for sport, Steve Paproski (who was dealing with this on the national level for a very brief time I might say) decided that in his view because of the budget situation and revenues and so on, from now on Lotto Canada should be transferred to the provinces.

I express the gravest concern with regard to this position because it appears the feds, at that time at least, were not willing to accept an appropriate national role in the preparation of world-class athletes in this country. Nor is it possible to maintain Canada-wide intervarsity competition under these conditions. It simply will not be possible to leave this entirely to the jurisdiction of the provinces.

And what was the Tory solution with regard to this whole issue and the problem? Their solution was to recommend that universities apply substantial pressure to the provincial ministers of culture and youth because in their position it was felt the provinces should be able to pick up the main burden of cost. This was related to this whole question of the difference brought in by the federal Tory government regarding Lotto Canada.

Mr. Speaker, I take serious exception to this comment. In point of fact, next year the federal government will receive, in consideration from the provinces, an amount representing some six times the revenue which it realized from Lotto Canada ticket sales just this past year.

It is a downright misleading statement to suggest that the benefit of Lotto Canada and therefore the responsibility of funding intervarsity sports has been transferred to the provinces.

It is a fact of life I should say, Mr. Speaker, that without cultural economic support actions by the federal government (and I'm not talking about the Tory government right now but governments before that time) we would have serious problems. Let me just

indicate some. From our viewpoint, at least certainly from my point of view, the federal government in regulating the economy and intervening in projects in the national interest regarding a variety of issues but I'll stick to this particular resolution . . . We could look at things like sports. Just to comment on one other one which may make the opposite members a little bit more happy, the question of building the railways. And these are the kinds of things that had they not occurred I'm quite sure today we would not be in the situation we are. It was this kind of national and social policy that we have to take into account. And that's why today we are the great and unique nation that we are.

This raises another interesting point about some comments made lately in this Assembly. It might have happened long ago what the members for Nipawin and Swift Current have been advocating. Taking this approach could have led us to becoming a part of the U.S.A. I'm not suggesting that the opposition members across the floor, the PC Party are saying that. I don't want to be misunderstood about that. But certainly I think their point should be made very clear to the people of this province as to where they stand because there are all kinds of actions developing. I think it's very important the people of the province know where different individuals and different parties stand.

Mr. Speaker, I sincerely hope the present federal government will not abide by the previous federal PC government's decision to underfund programs and so on. Taking the same attitude toward varsity sports in terms of the Canadian scene does not in turn lead to helping our athletes prepare for the international scene. I am convinced this is a matter, and I'm sure this is a very safe statement, that a very large number of youth and many other people who work in this area, people who have expertise in physical education, in sports, in physical culture, would agree with, that there is much interest. I want to recognize the dedication that has been brought about by the youth and the expertise in this area, to develop in our youngsters and some not so young, in order to rate Canada fairly high in the world. We are great geographically but in terms of population we are not that large in the world. So, I for one, want to commend those individuals and groups who have devoted their time and very strict energy to bring about and to strive for what I would call the optimum of physical culture.

In this time of concern about Canada's identity and its continued existence as a country, it is exceedingly important to develop our national presence. I strongly feel that quality education and sports and education in general, and culture (here I include physical culture) are very much a part of this whole concept of keeping our country together. I don't want to overplay it but I think it has an important impact.

Mr. Speaker, in conclusion I want to urge the federal government to shoulder more responsibility for this national issue. Certainly I for one would be very much in favor of co-operating from the provincial side. I believe it is vital to the interests of all Canada's youth and athletics, as it is to our local athletes at the two universities in this province. Therefore, I am pleased to second this motion moved by my colleague for Regina North-West. I urge all members to support this very positive and forward looking resolution. Thank you, Mr. Speaker.

SOME HON. MEMBERS: : — Hear, hear!

MR. H.J. SWAN (Rosetown-Elrose): : — Mr. Speaker, I've listened with quite a bit of interest here. I'm not sure the point is coming across. When you look at this motion it speaks of intervarsity athletic programs operated co-operatively by western Canadian universities. I believe it is worthwhile to have intervarsity athletics. But you state in your

motion that they're operated by western Canadian universities. The federal government does provide considerable moneys to western Canada. I think, in the case of Saskatchewan, the federal government contributed \$436 million to this province.

Much of that money was intended to be used for higher education. It's very hard to break out where the money goes, but it was provided. I believe for you to stand here today criticizing the federal government for their lack of input is not very realistic. I believe this government has funds provided by the federal government to fulfil its commitment. And if you and the other western provinces provided the funds directly into the sources where they should be going, I'm sure we could provide the kind of program for the universities that is intended.

Mr. Speaker, I think there are more important things on the agenda. I would beg leave to adjourn the debate.

Resolution No. 31 : — Foreign Investment Review Agency

MR. B.M. DYCK (Saskatoon Mayfair) moved, seconded by the member for Moose Jaw North (Mr. Skoberg):

That this Assembly encourages the new federal government to act on their election promises to strengthen the role of the foreign investment review agency and urges the federal government to grant FIRA the power to reimpose heavy withholding taxes on the increasing outflow of interest and dividend payments and continue to expand Canadian Ownership to serve Canadians, especially through Crown corporations, and the Canadian Development Corporation.

He said: Mr. Speaker, today I am pleased to be able to move a resolution encouraging the federal government to implement their announced policy of strengthening the foreign investment review agency in order to limit the foreign control of the Canadian economy.

Liberal talk about a Canadian-owned economy is not new. For 10 years the Liberal government has discussed creating an industrial strategy for Canada and thereby solving the problem of foreign domination of our economy. Little has been accomplished in those many years. During that time we have come to rely more and more on resource exports and manufactured imports. Increased resource exports have made Canada dependent on a volatile world market with an economy based on capital-intensive resource extraction which is largely foreign owned and which provides relatively little employment. One of Prime Minister Trudeau's promises in the 1980 election was that Canada would own 50 per cent of the oil industry by 1985. Does this sound familiar to us? In the 1974 election campaign he stated:

The Liberal Party of Canada sets as an objective that new major projects in the natural resource field should have at least 50 per cent, and preferably 60 per cent Canadian equity ownership.

According to a 1978 secret cabinet memorandum released by Ed Broadbent, the Liberals have given up any hope of fulfilling that promise.

AN HON. MEMBER: : — That's a highly authoritative source, that is . . .

MR. DYCK: : — I'll get to you a little later. The memorandum, in reference to the 50 per cent to 60 per cent equity promise, states clearly that, in most instances so far, it has not proven feasible to secure full compliance with that objective.' It goes on to propose as an obvious option, 'to discontinue the practice of trying to negotiate a reasonable degree of compliance with the policy of 50 per cent to 60 per cent Canadian equity ownership.' The document notes that the major disadvantage of this path 'lies in the danger that it might be seen as a fallback on the part of the Canadian government.'

Mr. Trudeau's campaign promise in the recent federal election was to reduce the problem of foreign ownership in Canada and to do this he would broaden the mandate of the foreign investment review agency. More specifically, he promised Canadians FIRA would increase Canadian ownership and control by periodically assessing the performance of large foreign firms in export, promotion, research and development. Under Trudeau's plan, the foreign investment review agency would also publicize proposed foreign takeovers of a certain size to encourage Canadian counter-offers and provide guaranteed loans to Canadian companies that want to compete with foreign firms for takeovers or repatriate foreign-owned assets.

Mr. Speaker, I urge the Prime Minister to keep these election promises. They are of critical importance to Canada. Already Herb Gray has said the monitoring of foreign corporations will be on a voluntary basis. Unfortunately, the record of the Liberal Party has not been good in the past and Gray's remarks suggest no major improvement. If anything, when we talk about the Tories, their record is even worse.

It was the position of the Joe Clark government that FIRA was completely unnecessary. If the Tories had been re-elected they would have destroyed FIRA just as they would have destroyed Petro-Can and the Canada Development Corporation. In fact, Mr. Speaker, every attempt by the Liberal government (limited as these attempts may have been) to put the Canadian economy back in the hands of Canadians, has been opposed by the federal Conservatives. Provincial Tories in Saskatchewan also support unrestricted foreign ownership. Recent events in this Assembly show a thin line exists between the Conservative position and annexation to the United States.

Despite years of prompting by the NDP, it was not until the minority Liberal government of 1972-74 that FIRA was finally created. The creation of the foreign investment review agency marked the first attempt in Canada's history to reduce and control the level of foreign investment.

By then, in the early 1970s, foreign ownership was widely recognized as having reached dangerous proportions. The Watkins report (named after Melville Watkins, head of the task force on the structure of Canadian industry) showed foreign interests controlled 60 per cent of Canada's manufacturing sector, 74 per cent of the oil and gas business, and 59 per cent of the mining and smelting industry.

Mr. Speaker, both old line parties must share the blame for Canada's present position. Between the two of them they have made Canada the only major industrial power in the world which is a net importer of capital, and the only major industrial power in the world which is a net debtor nation. By the end of 1978 Canada's foreign indebtedness had reached \$118 billion. At the end of 1979 it is expected to surpass \$130 billion and it is growing faster all the time.

Canada has assumed huge foreign debts to finance its balance of payments deficit on

current accounts, all because of Liberal Tory policies to encourage foreign investment, no matter what the consequences are, in Canada. The prime reason for Canada's balance of payments deficit in 1978 was because Canada paid over \$7.2 billion in investment income to U.S. people and investors.

Despite the creation of FIRA in 1974, Statistics Canada showed that by 1977 foreign ownership was only marginally down. In 1977 foreign corporations controlled 55 per cent of Canada's manufacturing sector, 72 per cent of the oil and gas business, and 58 per cent of mining and smelting.

The statistics published in the five year review of FIRA's activities, which appeared last fall, show why the existing regulations have failed to have any impact on the number of foreign corporations in Canada. Of the 2,089 foreign investment proposals processed in the five years from 1974 to 1979, 1,613 or 77.2 per cent were allowed and only 136 were rejected. There were 161 applications withdrawn and the remainder were unresolved.

Mr. Speaker, from these statistics it is easy to see that the criteria for deciding whether foreign investment proposals benefit Canada have been woefully inadequate and Canada has paid very dearly.

One of the costs has been the loss of original research and development in Canada. Research and development efforts in Canada are almost \$4 billion a year lower than they would be if Canada devoted the same percentage to research and development as the United States.

Foreign-owned corporations are carefully controlled by their parent companies and purchase huge quantities of such services as advertising, insurance, machinery, parts and components from the various parent firms and other suppliers in their home nations. Many of these purchases would otherwise be made in Canada and purchased from Canadian companies. It is this situation, Mr. Speaker, which has created the well-publicized Canadian brain drain to the United States. This phenomenon has become so widely spread that even that part of the legislature to your left, Mr. Speaker, has been affected by it.

Mr. Trudeau's promise to monitor foreign firms' research and development programs may improve their performance but there is another way to increase research and development in Canada. One corporation has already begun to return skilled Canadian workers to Canada. The Crown corporation Petro-Can has begun to deliberately seek out and recruit top Canadian talent employed abroad. Mr. Speaker, that is the difference between a Crown corporation which has the interests of Canada at heart and a foreign-owned corporation such as INCO which thinks nothing of using profits made in Canada to put thousands of Canadians out of work by starting new mines, or whatever investments, in foreign countries.

Mr. Speaker, the proposal to allow FIRA to publicize foreign takeovers and provide guaranteed loans for Canadian companies that want to bid against foreign corporations is perhaps more significant. Canadian firms need this help because they are already at a competitive disadvantage. It is the small businesses with assets of less than \$1 million that are primarily owned by Canadians. Foreign firms, on the other hand, dominate the sector of the economy containing large corporations with assets of over \$25 million. Of Canada's 500 largest corporations, 280 are foreign owned. In 1977, these firms had profits of over \$7.5 billion. In 1980, the profits of these 280 are

expected to reach more than \$9 billion. These large firms have a lower tax rate than either the small or the medium-size firms in this country. They also benefit most from the tax deferral policy of the federal government owing \$9.4 billion of the \$11.7 billion in non-interest bearing deferred taxes.

Most importantly, these firms control segments of their markets and can increase prices and profits to generate the cash flow they need for merger and investment plans. To compete with them, it is essential that the smaller Canadian firms have access to a guaranteed source of capital.

But, Mr. Speaker, a more comprehensive industrial strategy is needed. It is of little value for the federal government to lend money to help Canadian businesses take over the economy when at the same time their monetary and fiscal policies discriminate and mitigate against Canadian owners.

The current floating interest rate, for example, is designed to continue the long-standing Liberal policy of attracting United States investors. This policy of high interest rates discourages expansion of Canadian businesses and causes high unemployment. It adds to inflation and contributes to our growing budgetary deficits and a heavy deficit on our current account. Of course, Mr. Speaker, the most immediate and disastrous effects of high interest rates are on the people who wish to buy their own homes and the small businessman who wants to increase his inventory or expand his operation.

Mr. Speaker, if the new federal government is really interested in repatriating control of our economy, it should lower interest rates, not raise them. The resulting pressure on our exchange rate will increase our exports and reduce our imports, thus attacking our number one problem of high unemployment. It would also increase productivity in this country.

Mr. Speaker, we should also reimpose heavy withholding taxes on the increasing outflows of dividend and interest payments. These payments have risen dramatically with the increase of interest rates.

As well as putting tighter controls on our foreign exchange, we must tax the large corporations, which are mostly foreign owned, at least at a comparable rate to that of the small and medium-sized business firms in Canada. To accomplish this, we must cancel certain current tax exemptions, investment and depletion allowances, and accelerated depletion allowances to raise the effective tax rates at least to that of a medium-sized corporation.

The federal government must also start to charge interest on the \$11.7 billion of non-interest bearing corporate income taxes which are presently due and payable. Unless some pressure is put on corporations to pay these deferred taxes, they will continue to mount without limit with no hope of eventual payment of these taxes by the corporation.

Mr. Speaker, the recommendations I have made signify a major shift in economic policy. They would go a long way toward ending the privileged position large, foreign and domestic corporations have enjoyed for so long in this country. Combined with tougher legislation for the foreign investment review agency, tighter control on our foreign exchange, the discouragement of speculative investments and equitable taxation of the corporate sector : — if these things were done, we would at least start Canada on the road to solving some of our most immediate economic problems. While

April 29, 1980

recognizing the strengthening of the FIRA alone will not solve all of Canada's economic problems, it is certainly another necessary step in the process of repatriating our economy. I move Resolution No. 31.

MR. J.L. SKOBERG (Moose Jaw North): : — Mr. Speaker, it is a pleasure for me to second this motion for the hon. member for Saskatoon Mayfair. May I call it 5 p.m.

The Assembly recessed until 7 p.m.