

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Nineteenth Legislature

May 1, 1980

The Assembly met at 2 p.m.

On the Orders of the Day

WELCOME TO STUDENTS

HON. E.L. COWLEY (Biggar): — Mr. Speaker, it's my pleasure this afternoon to introduce to you and through you to the members of this Assembly, a group of 13 Grade 8 students from the Harris School in my constituency. They are accompanied by Gary Hatchen, Linda Stevenson, Delores Neil, and Betty Hanson. I am going to have the pleasure of meeting with them following the question period. I'd like to wish them an enjoyable time here in the legislature this afternoon, and I hope the members will be able to provide them with some informative and I suspect, entertaining proceeds in the next half hour.

HON. MEMBERS: — Hear, hear!

MR. G.S. MUIRHEAD (Arm River): — Mr. Speaker, it is a great pleasure to introduce to you and to the members of this Assembly 60 students from Simpson School. The students from the Simpson School are accompanied by exchange students from Prince Edward Island. To you students from Prince Edward Island, we welcome you to Saskatchewan and just hope you have a very enjoyable stay here. We thank you for coming. I'll be meeting with you at 3:15 and I hope to get acquainted with as many of you as possible. Thank you very much, and I ask the House to join in welcoming this group to this Assembly.

HON. MEMBERS: — Hear, hear!

HON. W.E. SMISHEK (Regina North-East): — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to the members of the legislature a group of 18 students from the Dover School. They are Grade 8 students seated in the Speaker's gallery. The students are accompanied by their teacher, Mr. Watson. On behalf of the members of the legislature I extend to them a warm welcome, and express the hope that they will have an informative and productive afternoon with us in the legislature. I welcome them.

HON. MEMBERS: — Hear, hear!

MR. D.M. HAM (Swift Current): — Mr. Speaker, it's a pleasure for me to introduce to the legislature and to you 34 students from the Swift Current Comprehensive High School seated in the east gallery. They are accompanied by teachers, Mr. Doidge and Mr. Martions. It's a very interesting day for them to be here. They may not be aware that we're recognizing some very special Saskatchewanians in the Rick Folk and Marj Mitchell rinks. I hope you're here to see that. I will be meeting with them later for pictures and drinks. I hope they have an enjoyable and very educational day.

HON. MEMBERS: — Hear, hear!

HON. G. MacMURCHY (Last Mountain-Touchwood): — Mr. Speaker, I want to as well join the member for Arm River in welcoming the students from Simpson which borders

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the constituency of Last Mountain-Touchwood and particularly the students from the Maritimes. I hope their stay here has been an enjoyable one and an interesting one. They've come at an interesting time so far as the farm situation is concerned, to get an opportunity to see the seeding operations in full swing. I hope, Mr. Speaker, to join with the member for Arm River in spending a bit of time with the students. I'm not going to be able to do that this afternoon. However, I've asked the Minister of Education to join the member for Arm River in welcoming the students to the legislature and particularly in welcoming the students from the Maritimes.

HON. MEMBERS: — Hear, hear!

MR. C.O. WHITE (Regina Wascana): — Mr. Speaker, permit me to introduce to you and to members of the legislature 35 people seated in the Speaker's gallery. A goodly number of them are members of the Newfoundland Chamber Singers. They are exchange students from Memorial University. They are accompanied today by Dr. Vern Sanders, director of choral activity, department of music, University of Regina, and the director of the group from Newfoundland is a Regina native, Mr. Doug Dunsmore, a graduate of the department of music, University of Regina. He obtained his master in music in 1976. I'll be meeting with them later. We hope they enjoy their tour of the legislature and visit to the Legislative Building, and I would ask all members to join with me in welcoming them here.

HON. MEMBERS: — Hear, hear!

HON. R.J. GROSS (Morse): — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to members of this Assembly 25 Grade 11 and Grade 12 students from the great Vanguard High School. They are here today with their teacher, Norm Erickson, and they are sponsored by a co-op tour. I believe Walter Nisbet is their other companion and guide here today. I am sure members will want to welcome them to the legislature and wish them a pleasant stay while they are here.

HON. MEMBERS: — Hear, hear!

MR. B.J. PONIATOWSKI (Saskatoon Eastview): — Mr. Speaker, I am pleased to introduce to you and to the members of the Assembly, 47 Grade 6 students from Brevoort Park School in Saskatoon. They are seated in the west wing of the gallery and are accompanied by their teacher, Mr. Newfeld. I would ask all members to join with me to wish them well this afternoon. Thank you.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Nuclear Power Application to Tar Sand Development

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the Minister in charge of SMDC (Saskatchewan Mining Development Corporation). Mr. Minister I'm advised that studies are being carried out into the potential application of nuclear power for future requirements into the development of the heavy oil and tar sands in northern Saskatchewan. Are there any branches of government or Crown corporations or private firms at present doing a study on that matter?

HON. E.L. COWLEY (Provincial Secretary): — Mr. Speaker, undoubtedly there are some places where those kinds of studies are going on. Obviously one of the ways of increasing the ability to flow of heavy oil is to apply heat to it, and I wouldn't be surprised if someone was looking at nuclear power as the source of that heat. With respect to SMDC, it is not involved in any studies, and to the best of my knowledge no other Crown corporation or government agencies are.

MR. LARTER: — Supplementary, Mr. Minister. Mr. Minister are you at this time thinking of reversing the government's direction on nuclear power in northern Saskatchewan?

MR. COWLEY: — Well, Mr. Speaker, even if it was within my capacity for me to reverse it, I certainly am not contemplating reversing the government's position with respect to this. Again to the best of my knowledge the government has not discussed and is not contemplating discussing reversing its position with respect to nuclear power in Saskatchewan.

MR. LARTER: — Another supplementary, Mr. Speaker. Mr. Minister, can you tell this House if there is anyone studying it. Could you tell us who is studying the possibility of nuclear power in the near future in northern Saskatchewan?

MR. COWLEY: — Mr. Speaker, again to the best of my knowledge no government agencies or Crown corporations are involved in any such study. As to whether or not someone in the private sector, either within or without the province, is studying this, I am afraid I wouldn't be able to advise the member. I am not aware of the name of any company that is doing it. Certainly if someone was and hadn't told me, I could hardly be expected to know that so I can't provide the member with the answer.

MR. R.L. ANDREW (Kindersley): — A question out of the question by the member for Estevan. Have you personally, Mr. Minister, met with people from the National Research Council to discuss the possibilities of this program?

MR. COWLEY: — No.

MR. ANDREW: — The Saskatchewan Research Council?

MR. COWLEY: — No.

CFIB Brief

MR. P. ROUSSEAU (Regina South): — Mr. Speaker, a question to the Minister of Finance. Mr. Minister, yesterday you and the Premier and the Minister of Industry and Commerce were presented with a brief by the Canadian Federation of Independent Business, offering eight recommendations to assist small business in Saskatchewan. Are you giving serious consideration, Mr. Minister, to the implementation of some or all of these recommendations?

HON. E.L. TCHORZEWSKI (Minister of Finance): — Mr. Speaker, we indeed did meet with Mr. Bulloch and Mr. Gray of the organization and had an excellent discussion. There was presented a brief which the member is familiar with in which there were a number of recommendations which the government is in the process of considering and will consider as we indicated to Mr. Bulloch.

MR. ROUSSEAU: — Supplementary, Mr. Speaker. As you just said you were in the process. Mr. Minister, would you not agree that at a time when so many small business in Saskatchewan are facing financial disaster that you should take immediate action on some of these recommendations, as we've been suggesting to you for several weeks now, and perhaps start with the sales tax suggestion submitted by the Canadian Federation of Independent Business?

MR. TCHORZEWSKI: — Mr. Speaker, as indicated by the Minister of Agriculture yesterday, in the brief Mr. Bulloch did indicate the steps being taken in Saskatchewan were very good measures and that we were heading in the right direction. We only had a presentation of this brief yesterday. surely it's going to take more than one evening to consider the recommendations. As I have indicated to the member opposite, we are in the process of doing that and if we decide as a government that on some of them we need to be taking some positive action, we will then announce that in due course.

SGI re New Agencies

MR. J.G. LANE (Qu'Appelle): — I'd like to direct a question to the minister responsible for SGI. I asked you yesterday how two agencies, the Frank Buck agency and Dan Smith agency, managed to get SGI agencies without buying an existing agency. My understanding is that your answer to the press was that you wanted to play catch up and you wanted to increase the number of agencies in Regina to match that of Saskatoon. Would the member then explain to this Assembly why you in fact increased the number of agencies in Saskatoon by awarding in January of this year an SGI agency to, I believe it was Walter F. Cooke Agencies and perhaps you would like to explain that in a little more detail.

HON. W.A. ROBBINS (Minister of Revenue, Supply and Services): — There are 23 agencies in Saskatoon according to the information I was given and there were 19 in Regina. The two cities have roughly the same comparable population and the theory is that they would have roughly the same number of agencies in them. The question with regard to Mr. Cooke was that he had previously an agent in Kindersley — one of the very best SGI has ever had. He applied for and requested the probability of setting up an agency on the west side of Saskatoon where the city has been growing very rapidly and he got one on that basis.

MR. LANE: — Supplementary. The minister in fact acknowledged that the number of agencies in Saskatoon and Regina is now equal, based on a check of today's phone book. But would the minister indicate what the government's policy is — the traditional policy and perhaps the new policy as to granting licence issuer privileges or rights to SGI agencies in the cities and what agencies were able to get the privilege of issuing drivers' licences or vehicle licences?

MR. ROBBINS: — Generally speaking, motor licence issuers are given to every agency in the country, not in the cities, the theory being that the city with the head office of SGI, people will go there for their licences. Similarly, in Saskatoon they would go to the claims office where there is an agency for selling motor licences. One of the problems you have when you issue motor issuer licences in the city is every agent obviously then wants one. The only reason one was given in Saskatoon on the west side — there has been one for a number of years on the southeast side of Saskatoon where the city is growing very rapidly and a similar situation arose on the western side of Saskatoon. There was some increase in the congestion with respect to the downtown office and on that basis one has been allotted on the west side of Saskatoon and one on the east.

MR. LANE: — Supplementary to the minister. Would the minister give the assurance to the Assembly that one Frank Buck agency is opening up in a growth section of Regina — the northwest corner in the new Sherwood Mall? Would the minister give the assurance to this Assembly that Frank Buck Agencies will not receive the right to issue drivers' licences, motor vehicle licences, in the city of Regina?

MR. ROBBINS: — Mr. Speaker, Mr. Buck applied for that and was turned down.

MR. LANE: — New question.

MR. SPEAKER: — I'll take the member for Swift Current.

Health Region No. 1

MR. D.M. HAM (Swift Current): — A question to the Minister of Health. In a recent edition of the Swift Current Sun, which I have with me, the president of the Swift Current district medical society stated the society has evidence that an effort is being made to convince people of Health Region No. 1 it should be replaced with MCIC. Firstly, Mr. Minister, are you aware or are you supporting these changes to Health Region No. 1?

HON. H.H. ROLFES (Minister of Health): — Mr. Speaker, I don't know exactly what influences are being used in Swift Current. I have not seen the article he is referring to. I was given to understand there was an article and somebody in Swift Current had quoted the minister on dissolving the Health Region No. 1. I want to tell the member I have made no such statement. I wasn't aware those influences were going on. I will admit to the member that we had a number of phone calls and some letters from the area about the confusion which exists as to which health services come under the jurisdiction of Health Region No. 1 and which come under the province. It was in that light, after receiving a number of complaints, I sent out a letter to the secretaries of the R.M.s and the towns asking them for their advice as to how we could resolve the problem as far as the confusion and frustration was concerned in the health region.

MR. HAM: — Supplementary, Mr. Speaker. Mr. Minister, are you aware that area NDP MLAs have been having meetings with town councils in some towns and were attempting to convince these councils to replace the health region with MCIC? Were these meetings promoted by your department or were they being supported and organized by the MLAs in question?

MR. ROLFES: — Mr. Speaker, first of all I think the member should direct those questions to the MLAs concerned. I have given no such instructions to anyone. Even if I would, I doubt very much if I would be very influential in that particular regard. Mr. Speaker, I think the member would be better to direct those questions to the MLAs concerned.

MR. HAM: — Final supplementary, Mr. Speaker. Would the minister state now unequivocally that his department is not attempting to dismantle Health Region No. 1? Are you aware that at recent meetings of the four districts in the Swift Current Health Region there was wide endorsement for the plan to carry on?

MR. ROLFES: — Mr. Speaker, I have no such knowledge. I do have a couple of letters received, one from an R.M., one from a town council which have passed resolutions

stating that the Health Region No. 1 should be dissolved. Health Region No. 1 had served its usefulness. They felt in that regard, if the minister would dissolve the health region he could also at the same time resolve some of the problems of the confusion and frustration which existed in Health Region No. 1. I have not responded to these since they just came in recently. All I am saying to the member is, my concern as Minister of Health is that the people of Swift Current are fully aware of what services are given by the province and come under the jurisdiction of the province and those which come under Health Region No. 1.

DNS Trials

MR. R.L. ANDREW (Kindersley): — A question to the Attorney General. Could you advise the Assembly whether or not the Crown has commenced an appeal against one Howard Thompson, arising out of the DNS trials in Prince Albert?

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, I do not know the answer to that question. I have to take notice.

MR. ANDREW: — The Minister . . .

MR. SPEAKER: — Order. The member has a new question? I'll take the member for Indian Head-Wolseley

Francophone Interest Group

MR. D.G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, a question to the Minister of Education. Is it correct that a notice of a meeting on behalf of the Francophone interest group was sent out to bilingual teacher throughout Saskatchewan in Department of Education envelopes?

HON. D.F. McARTHUR (Minister of Education): — Mr. Speaker, I do not know for certain that did happen. However, I am informed by the Regina Separate School Board and according to their information there was a mailing that went out to Francophone teachers in Regina regarding a meeting sponsored by the parents and those letters were sent out on Department of Education letterheads.

MR. TAYLOR: — Mr. Minister, Separate School Board Direction Wendelin Herle states that the board is very disturbed about the way the meeting was announced. Taking into consideration the recent exclusion of the SSTA (Saskatchewan School Trustees Association) members from the bargaining table in contract negotiations, would you not agree that such actions are seriously damaging the relationship between the school boards in this province and your department?

MR. McARTHUR: — Mr. Speaker, as I think Mr. Herle also indicated, I made it know and my officials made it know that these letters were not sent out with the knowledge or approval of the Department of Education. Exactly how it was that these notifications were in envelopes containing the Department of Education's letterhead is still under investigation. I think it is regrettable. Obviously it is not something for which I or my department was responsible, and I don't think it has any relationship with the other question the member raised.

MR. TAYLOR: — Final supplementary. Mr. Minister, you are the minister and head

official in that department. My question is, when will you get hold of that department to ensure that such mistakes do not happen in the future?

MR. McARTHUR: — Well, Mr. Speaker, I don't think the indication that by some means this group of parents was able to send out letters in these envelopes necessarily indicates anything as serious as the member does. I have an investigation under way to try to determine why access to these envelopes was obtained. I do not know the answer to that because the investigation is not complete.

Payments Made on Behalf of Foster Children

MR. H.J. SWAN (Rosetown-Elrose): — Question to the Minister of Social Services. Mr. Minister, I started to raise this question with you the other day but time ran out. The Saskatchewan Foster parents Association states that their rates received for the maintenance of foster children have not changed since 1977. Is this statement a true reflection of your department's responsibility to foster parents?

MR. M.J. KOSKIE (Minister of Social Services): — Mr. Speaker, I just want to indicate in respect to the payments for children in foster homes that there are a number made. Part of the payments is a basic child rate which includes maintenance, clothing, spending money, personal allowance, but there are a number of other payments such as special service requirements, fixed continuous discretionary allowances and also variable discretionary allowances. I want to say that all of that makes up the total payment on behalf of foster children to foster parents.

I would indicate that fees for special services, which are a part of this package, were increased effective April 1, 1979. These are payments made to foster parents where special care of physical care is required, or child management, or where services to the natural family are required. Also there are the fixed continuous discretionary allowances; these are payments made to permanent wards to cover such things as events, toys, games, sports equipment and musical instruments. These also were upgraded on April 1, 1979.

Other payments included in the basic payment to foster parents include the basic clothing allowance and special clothing allowances. Some of these have been also modified.

I want to say that while it's true that the basic child rate was set in '77 as you indicated, there have been adjustments in the other payments.

MR. SWAN: — Supplementary to the minister. With inflation running in the range of 9 per cent for the past three years, do you not feel you have treated foster children and foster parents unfairly by holding them at that same board and room rate if that's the portion that you have held, for a period of three years?

MR. KOSKIE: — No, I think that we have a good working relationship with the foster parent association and the foster parents of Saskatchewan. We have noted their resolution as set forth at their convention. I've asked my department officials to carry on a communication with them. We are looking at a package in respect to the family services and child services package submission. And we will be looking at the aspect of the foster parent basic maintenance rates.

MR. SWAN: — Supplementary to the minister. Will you promise this House that you will

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bring in rates which will bring the foster children up to the fair current rates that they should be at during the next month, or whatever time it takes for you to complete it? I believe that you have treated these people unfairly and I would like a promise from your department to bring this into line almost immediately.

MR. KOSKIE: — As I have indicated to the hon. member, I have asked my department to carry on discussion with the association, as I have indicated we are looking at a submission in respect to the whole area of child and family services and an announcement will be made in due course.

Veterinary Services

MR. L.W. BIRKBECK (Moosomin): — Mr. Speaker, I have a question for the Minister of Agriculture. Mr. Minister, your director for the veterinary service branch of the provincial agricultural department, a Dr. Walter Weir, has suggested that large-animal veterinarians practising in the province are looking for better working conditions, shorter working hours and increased salaries. One of the problems, Mr. Minister, is that the federal and provincial governments offer higher salaries. They are only required to work about two-thirds of the hours they would in private practice. Therefore I think the question to the minister should be, in light of the province's shortage now or possible shortage of veterinarians practising in rural Saskatchewan, what position can you now take or do you plan to take to ensure that large-animal veterinarians will be maintained to assist rural development?

MR. MacMURCHY: — Mr. Speaker, in response to the hon. member for Moosomin, there are two specific programs under consideration. One on an immediate basis is the strengthening of support to the district veterinary boards. We're reviewing the existing policy which relates to travel grants and operating grants at the present time as a government. And secondly, on the longer term, a study, as the hon. member will know has been completed on a veticare program for Saskatchewan, and that program is under consideration by the government, by farm organizations and the veterinarians in Saskatchewan themselves.

CIC Contract with Frank Buck

MR. LANE: — I would like to direct a question to the minister responsible for the Crown investments corporation. Are you now prepared to table the contract of service between the Crown investments corporation or the relevant agency with Frank Buck which is in existence?

MR. COWLEY: — Mr. Speaker, with respect to the contract, I think the members were informed the contract runs for a period of three months. it expires the end of June. It's for services with respect to the Crown investments corporation in terms of secretarial services. And our policy has been in the past and continues to be that we don't table contracts.

MR. LANE: — Would the minister not admit that also included in that contract and services to be supplied by Frank Buck is a review of the insurance needs and requirements of various Crown corporations which puts him in a definite conflict of interest position?

MR. COWLEY: — Mr. Speaker, the policy with respect to Crown corporations and all Crown corporations is and has been that they deal directly with SGI (Saskatchewan

Government Insurance) and not through any agent so there's nothing involved in it for any agent in terms of any dealings with the Crown corporations. There's absolutely no conflict.

Patronage Involving Dan Smith Agencies

MR. LANE: — Question to the minister responsible for SGI. Are you now prepared to give this Assembly the advertising budget for the promotion of Dan Smith Agencies, the obviously patronage granted agencies?

MR. ROBBINS: — There's a standard approach for assisting any agency, particularly when they're starting out. On a congratulatory basis, a total of \$75 is the amount that SGI will pay and that is all SGI paid.

PCB Removal from Federal Pioneer Limited

MR. G.S. MUIRHEAD (Arm River): — Question to the Minister of the Environment. In light of the fact that this House has not been informed about any further action with regard to removal of PCBs (polychlorinated biphenyl) from the Federal Pioneer plant in Regina, could the minister inform this House if the original plans for removing the PCBs are still in effect and being carried out according to plan or has the minister abandoned the plans to buy the PCBs? could the minister tell us just exactly what the status of the plan is?

HON. G.R. BOWERMAN (Minister of the Environment): — Mr. Speaker, hon. members of the Assembly will know that there was an order issued some time ago now for the recommended initial steps for clean-up at the Federal Pioneer site. that order is still in effect and the monitoring, which was to be undertaken during that process, is in effect and there are ongoing negotiations which are now at a rather critical stage for the next steps to be taken. Those critical negotiations are being undertaken with the Federal Pioneer Company. We're not to elaborate on them because of the sensitivity involved and the nature of the negotiations involved in the ongoing process.

MR. MUIRHEAD: — Supplementary, Mr. Speaker. In light of the fact that the National Research Council has informed me they are in favour of immediate action to disposal of the PCBs and have suggested that we would be foolish not to continue pushing the Minister of Environment for immediate action, could the minister be specific and give us a real commitment as to when the action will commence?

MR. BOWERMAN: — Well, Mr. Speaker, the National Research Council report did indicate that the immediacy was relevant to the action which we have taken. That action we have taken and did take immediately. The issues relevant to the removal of soils and the placement of soils in some other area were not those materials to which the National Research Council indicated immediate response.

MINISTERIAL STATEMENTS

Postponement of Angling Season Due to Forest Fires

HON. R.J. GROSS (Minister of Tourism and Renewable Resources): — Mr. Speaker, it is my duty to advise the legislature and the people of this province that because of the serious forest fire hazards, we've been forced to postpone the opening of the angling season over a wide are of the province. As most members are well aware, there have

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been over 100 forest fires reported to date this year. Last year at this time we had no reported fires. This year we have had no co-operation from the weatherman. I think it's evident to everybody. It's been warm and hot and dry with no moisture to speak of, thus making the forest fire hazard high and extreme. As a result we've been forced to close the season in the areas lying north of Highway No. 5 from the Manitoba border to Watson, from Watson north to Melfort on Highway No. 6 and north of Highway No. 3 from Melfort to the Alberta boarder.

Sport fishing which was to open on Saturday will remain closed in these areas. Most of the fires to date have been man-made and we have to keep as many people as possible out of this area. However, in the rest of the southern management area, fishing will open as usual on Saturday. Just as soon as the threat of forest fires has passed, we'll be opening up the area.

Mr. Chairman, I would also like to announce that the DNS region, the area north of the DTRR region — their fishing season opens two weeks from now on May 17. If the situation hasn't improved, my colleague, the Minister of the Department of Northern Saskatchewan, will be considering similar action in his area.

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, in response to the minister, I think it makes eminent good sense to delay the fishing seasons when the hazards are so great, but I would also point out that the weatherman alone isn't responsible. In fact, DNS has not had its planes ready and it has had ample time to get them ready. As it relates to the statement just offered by the minister. I think it makes eminent good sense in the interests of safety to delay the season, and I say that knowing full well that I'm going to have to revise my fishing plans.

MOTIONS

Honoring Championship Curlers

HON. A.E. BLAKENEY (Premier): — I have pleasure in moving a motion, seconded by the Leader of the Opposition (Mr. Berntson), by which we will as a legislature be honoring the Marj Mitchell rink and the Rick Folk rink for their outstanding accomplishments in the curling world. Mr. Speaker, I move:

That we, the members of the Legislative Assembly in session assemble extend our warmest congratulations to Ms. Marj Mitchell and her rink from Regina, consisting of Nancy Kerr, Shirley McKendry and Wendy Leach, on their magnificent achievements this year in winning the Canadian ladies' curling championship and their victory over many other nations to win the world ladies' curling championship in Perth, Scotland.

As well, the members of the Legislative Assembly in session assembled extend our warmest congratulations to Mr. Rick Folk and his rink from Saskatoon, consisting of Ron Mills, Tom Wilson and Jim Wilson, on their magnificent achievement this year in winning the Labatt's Tankard Trophy emblematic of the curling championship of Canada and completing 10 triumphs over their competitors to win the Air Canada Silver Broom in Moncton, New Brunswick.

The rinks have brought these championship titles to Saskatchewan with great honor to themselves, to their home cities and to their home province.

They have helped in making Saskatchewan's Diamond Jubilee exceptionally memorable.

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, just one or two brief remarks in seconding this motion. All these curlers have indeed brought great honor to themselves and their home cities. One curler in particular I am very, very proud of. She has brought great honor to the village of Glen Ewen, Saskatchewan, where both she and I were born and went to school. I speak specifically of Marj Mitchell. I take absolutely no credit for her curling skills. I am indeed very, very pleased to second the Premier's motion honoring these curlers today.

Motion agreed to.

Recess of Assembly

HON. R.J. ROMANOW (Attorney General): — I move, seconded by the Premier (Mr. Blakeney), that by leave of the Assembly:

That this Assembly do not recess to greet our distinguished guests, and reconvene at the call of the Chair.

MR. SPEAKER: — Before putting the motion to the Assembly, I would attempt to seek the agreement to have the formal comments, which I expect will be made upon adjournment, to be recorded in Hansard. Is that agreed?

Motion agreed to.

The Assembly recessed at 2:43 p.m.

ORAL TRIBUTES TO CURLING CHAMPIONS

MR. SPEAKER: — I may say to the Assembly at this time that, for the period of time we are adjourned, people who have cameras are free to use them to take still photographs.

HON. E.L. TCHORZEWSKI (Minister of Finance): — Mr. Speaker, Hon. Premier, Leader of the Opposition and members of the Legislative Assembly, as somebody said, this is probably more difficult than winning the championship. It is indeed my honor and pleasure to introduce to the members of this House and to the people in the galleries today some very special guests — the 1980 world ladies' and men's curling champions.

HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — I know that we are all, as other people in Saskatchewan are, very proud of them. First of all I would like to introduce the ladies' world curling champions whose home curling club is the Caledonian Club in Regina. They are, as you will know, Marj Mitchell, the skip; Nancy Kerr, third; Shirley McKendry, second; Wendy Leach, lead.

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HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Also, from Saskatoon, the men's world curling champions, the Rick Folk rink, whose home curling club is the Nutana Curling Club in Saskatoon. The skip is Rick Folk; the third Ron Mill, second, Tom Wilson; lead, Jim Wilson.

HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Mr. Speaker, and members of the Assembly, we are, indeed honored today to have with us eight Saskatchewan athletes, eight curlers who have brought honour and distinction not only to themselves, but to their province and the country. And I am indeed very pleased to be able to add the congratulations to thousands and thousands of their fellow citizens who have already done so.

It may be of some interest to the members of this House to know that in 1955, on the occasion of our province's Golden Jubilee, the Garner Campbell rink of Avonlea brought the Canadian men's curling championship to Saskatchewan for the first time. And this year, Mr. Speaker, the people of Saskatchewan have invited the former residents home to celebrate our province's 75th anniversary. How appropriate then that these splendid curlers have personally brought the world curling championship home on this occasion.

This is an excellent example of the type of event that cannot be planned or created but will nevertheless make 1980 truly a year to be remembered. It takes a lot of dedication and commitment to achieve as major an accomplishment as winning the world curling championships. Thousands try every year. Eight succeed. And you are those eight.

Your example is an inspiration to the curlers of Saskatchewan and also to all of us and the people we represent in this Assembly. We say, on behalf of all of them, congratulations and thank you for bringing this honor to our province.

HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — So on behalf of the government and the members of the Legislative Assembly and Celebrate Saskatchewan, I would like to close by presenting to our curlers certain pins that commemorate Celebrate Saskatchewan and also commemorative medallions especially struck for the occasion of our 75th anniversary. We hope 1980 will be as memorable for each and every one of you, as you have already helped to make it for us.

HON. MEMBERS: — Hear, hear!

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, and members of the Legislative Assembly. On rare occasions, exceedingly rare occasions, this legislature suspends its operations so we may honor distinguished Saskatchewan citizens. As the Minister of Finance indicated, our first record of this practice was in 1955 when we had the occasion to suspend proceedings to honor the Garnet Campbell rink and on the occasion it was said that:

. . . distinguished residents of Saskatchewan, who had brought great honor to the Province and had been invited by Mr. Speaker, on behalf of the Assembly, to attend today's sitting, awaited the summons.

And today indeed we have another group of distinguished residents of Saskatchewan who have brought great honor to the province and who have been invited here by Mr. Speaker.

The Garnet Campbell rink (and I had occasion to be here, although I was not a member of the legislature at that time) was indeed a forerunner of great curling champions that we have had since that time. We remember the Ernie Richardson rink who brought us, on more than one occasion, a world championship. Then we had a lengthy interval when we had great athletes and particularly great curlers but did not quite achieve a world championship. I know some here will remember that heartbreaking loss of Harvey Mazinke here in Regina, when it looked like we well might break the drought.

This year we have indeed achieved a world championship, not once but twice. You might say that our cup runneth over. This year is our 75th anniversary (and by the way it is Alberta's 75th anniversary as well) and things have generally been well managed in that regard. In each case the Canadian championship event was in Alberta and in each case it was won by Saskatchewan.

HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — But our curlers went beyond the Canadian championships and I join with all the people of Saskatchewan in congratulating Marj Mitchell, Nancy Kerr, Shirley McKendry and Wendy Leach, the world ladies' curling champions who achieved their victory at Perth, Scotland, and in congratulating Rick Folk, Ron Mills, Tom Wilson and Jim Wilson for their Silver Broom victory at Moncton.

I say to those two rinks that you have not only won world titles of which you have every right to be proud but you did it in a way which made us all proud to be citizens of Saskatchewan. You were our representatives. You were our ambassadors. We are all in your debt for the way you represented us and you have made us very proud and happy indeed. I extend on behalf of all of us our warmest congratulations.

HON. MEMBERS: — Hear, hear!

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, just to add briefly to the words of the Premier. On behalf of the official opposition I would like to extend our very, very warmest congratulations for an effort that has indeed made us very proud to be Saskatchewanians. As I pointed out earlier, before the curlers joined us in the Chamber, I particularly have a very special reason to be just a little more proud and all of us from Glen Ewen are very, very proud. We weren't particularly excited because you did exactly what we expected you to do but we were indeed proud to have one of our home town girls bring home the world championship and Marj, I bring that from all of the Glen Ewen people. We were just so proud that it brought tears to our eyes. To all of the curlers from the official opposition, I say thank you very much.

HON. MEMBERS: — Hear, hear!

MR. R.H. PICKERING (Bengough-Milestone): — Mr. Speaker, it is an honor for me as a long time participating curler in Saskatchewan to take this opportunity on behalf of all the curlers of Saskatchewan and the official opposition to convey our congratulations to our special guests today. First, I would like to congratulate the Marj Mitchell team of Nancy Kerr, Shirley McKendry and Wendy Leach on their winning the world ladies'

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curling championship.

Mr. Speaker, I think it's interesting to note that the Mitchell team got off to a rather shaky start in the Canadian curling championship by losing something like three out of their first four or five games. I commend all the members of this team for not giving up. I know it takes a lot of courage and desire to continue under such circumstances and it had to take a real team effort to bring the championship back to Saskatchewan. Congratulations, girls!

And the Rick Folk team, of course, Ron Mills, Tom Wilson and Jim Wilson, I know them all quite well. As a matter of fact I know them better than I know the girls. I would like to congratulate them on bringing the men's world curling championship back to Saskatchewan and back to Canada after an eight year absence.

Mr. Speaker, our team had the opportunity to play the new world champions in the first round of the provincial championship in Saskatoon this year. That was, I should say, unfortunate. I'd like to feel our team contributed something to your success by getting you off on a winning note. I know everyone in Saskatchewan was behind both teams in the Canadian championships and as well behind you all in your respective world championships. I think, Mr. Speaker, it's a clear achievement in our 75th anniversary year to have the championships brought back to Saskatchewan. I hope we don't have to wait until the 100th anniversary to bring them back again. Congratulations to both teams and good luck in the future.

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — We are going to be very informal now. We have a special book that only special people sign in the Chamber and it's our special guest book which is situated over there. Mr. Barnhart will show you where it is, so if you could file by, we would like to get your signature as a team on the book and members thereafter may be free to meet the curlers.

Ladies and gentlemen, ladies and gentlemen. Order, order. that word order works better. I have prevailed upon the skips of the teams to ask them if they would just say a few brief words. I know we are going to get an opportunity to meet them later on but I wonder if the skips, Marj Mitchell and Tick Folk, could say a few words? You could just step up to the table there and the mike will pick it up.

MARJ MITCHELL: — Thank you, Mr. Speaker. On behalf of my team I would like to express my appreciation for the opportunity to be here today. Thank you very much for the medallion and the presentation. This is something that is certainly an honor for us and something we'll remember for a long time. Thank you.

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — This may be the only time you get to speak in the legislature.

RICK FOLK: — I better make the most of it here. On behalf of myself and our team, I would certainly like to thank everybody here for the opportunity to visit the legislature today and a very definite thanks for the little gifts you gave us. As I was saying to the guys, last time I was in here I was in Grade 8. I think that was five years ago. Once again,

thank you very much. It's a day we'll always remember and thank you again.

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — I'll ask the Minister of Finance to escort our guests out.

The Assembly resumed at 3:12

SECOND READINGS

HON. MR. G.R. BOWERMAN (Minister of the Environment) moved second reading of Bill No. 78 — **An Act to amend The Provincial Lands Act.**

He said: Mr. Speaker, the amendments deal in two areas, one generally in the housekeeping area of administration and the other with respect to the land transfers to Canada for Indian land entitlements. Therefore, Mr. Speaker, in moving the proposed amendments to The Provincial Lands Act, I would first point out that there is more than one agency or department of the government involved and affected by them. And the proposed amendments seek to do two things which I have generally laid out. One is to resolve the jurisdictional matters between the Department of the Environment and the Department of Northern Saskatchewan, and secondly, to assist Saskatchewan in meeting its constitutional responsibilities to the federal government and settling unfulfilled Indian land entitlements. The administrative or jurisdictional issue involved in the amendment before us deals, in practical terms, with balancing the responsibilities of the Department of Northern Saskatchewan and the water management and environmental protection services provided in the Department of the Environment.

Section 58(1) of The Provincial Lands Act authorizes the Lieutenant-Governor, on the advice of the cabinet, to designate officers of a government department to dispose of provincial lands on his or her behalf. Early in the history of the Department of Northern Saskatchewan, officers of that department were designated by the Lieutenant-Governor to execute such land disposition duties within the province lying north of the northern administration district boundary. Along with the responsibility for executing the actual land disposition, the department's officers also became responsible under the act for making sure that leases, licences and permits issued under The Mineral Resources Act, The Forest Act, The Water Power Act, and The Water Rights Act were applied for and secured by whoever wanted land ownership or land use rights. In practice the Department of Northern Saskatchewan has not used this assignment of responsibility as a jurisdiction for the duplication of staff in those areas of expertise referred to. Instead, generally the Department of Northern Saskatchewan has made itself responsible for making sure that in any northern land disposition all proper leases, licences and permits were issued by those departments which had the responsibility elsewhere, and which had the appropriate expertise of staff available.

On a recent examination, Mr. Speaker, of the wording of this act it was considered that this approach may not meet the requirements of the law, and therefore the appropriate amendments are proposed. There is a possibility that to meet the act's present terms properly, the Department of Northern Saskatchewan must be prepared to issue all of the leases, the licences, and the permits itself. Therefore there has been some bit of confusion that exists from the strict legal interpretation of the legislation as of late.

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Faced with this possibility, the government is agreed that the practical answer to the problem is to remove any reference to section 58(1) of The Provincial Lands Act to either The Water Power Act and/or The Water Rights Act that are administered in the Department of Northern Saskatchewan geographic area.

In addition to financial considerations, there are at least three other valid reasons why this action should be taken. Firstly, while the geographic and political boundaries for northern Saskatchewan's jurisdiction are workable and logical in many areas, water management rights and water power development do not flow according to geographic boundaries (including the northern administration district boundaries). Some of northern Saskatchewan's river and lake water comes from areas south of the NAD line; and in addition, other water flows in from Alberta and flows out into Manitoba and into the Territories.

Saskatchewan's water management service in the Department of the Environment is now responsible for licensing all large scale users of water, such as community supply, industry and hydro power, and including the inspection of structures related to water power and water management. To make sure that no more water than licensed will be used, the service is also responsible for making sure we get our share of water of the proper quality from our western neighbours and that we deliver the proper share of water of the proper quality to our eastern, northern and southern neighbours after we have used it within our province, or used as much of it as we are entitled to under those international and interprovincial agreements.

Secondly, I have already mentioned hydroelectric power generation. As things now stand most of the power generated in the North will soon be generated by subsidiaries of Saskatchewan Power. The electricity so generated will become part of a grid within which power for southern Saskatchewan and from Manitoba is mixed and directed to meet the seasonal and other peaks of requirements in Saskatchewan.

The water management service is responsible for issuing permits for the use of water and power plants in Saskatchewan, and for supervising reservoir flows to make sure that the downstream users in Saskatchewan and in other provinces and countries, get their fair share of the water apportionments, as I have already indicated, as set forth in the agreements already made. Here once again, Mr. Speaker, we think that if it is impractical to have duplicating expertise dealing with the same projects and in the same areas.

Third and lastly, in undertaking to assure that water used by mines and other industries in the North going back into the rivers and lakes has limited extra pollutants, we believe water rights management and power should remain the responsibility of the mines pollution control branch and the water pollution control branch of Saskatchewan environment. Furthermore, the environmental protection plans of any new mine, industry or any other large development in the North, must be approved by the environmental assessment secretariat before they can proceed.

All these services are part of the same Department of the Environment which includes the water management service, the engineers and technicians of these services which now work together very well. Here again we see no valid objective in duplicating and complicating a co-operative procedures which we believe is working well.

For all these reasons I fully support and recommend to you, Mr. Speaker, that the members of the House support the amendment to section 58(1) of The Provincial

Lands Act that is now being placed before the House. On the basis of personal experience I know that the amendment makes sense and that when passed it will eliminate the danger of inefficient and unnecessary duplication, which could be forced upon us by the strict legal interpretations of the present act. That is our reasoning and our logic for bringing it forward to the Assembly for amendment.

Last but not least is the proposed amendment to section 20, which was really and originally the intent for the amendment to the act in the first place, and as we reviewed the action, section 58(1) came to our attention and we dealt with it. With respect to section 20 particularly, it will assist with the transfer of provincial Crown lands to the federal government for Indian reserve purposes. This amendment will qualify Saskatchewan's authority to transfer lands to meet constitutional commitments without having on each occasion to receive extensive legal opinions on the authority of the province to make transfers pursuant to existing legislation.

In short, Mr. Speaker, the present legislation requires clarification. This amendment will ensure that Saskatchewan can meet its constitutional obligations to assist the federal government meet treaty commitments either ignored or overlooked by the federal government for more than 100 years. It will ensure that the province will have the ability to transfer the appropriate ownership of the shore line and the lands under the water to the federal government, and it will enhance the ability of the province to deal with this issue in amore forthright and expeditious manner.

It, therefore, give me pleasure, Mr. Speaker, to move second reading of a bill to amend the Saskatchewan land act.

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, just a couple of words, and then I'm going to adjourn on this particular bill.

I'm a little puzzled. It's just a one-page bill but it has far more impact than would appear on the surface. I'm a little puzzled there wasn't a whole new comprehensive act brought in setting out the rights and privileges and the obligation, etc. It was done in this House a short time ago with The Saskatchewan Heritage Act and I think this is equally as important and deserves the same kind of consideration.

With those brief remarks I'm going to adjourn debate at this time, to study the minister's comments and do a little more digging into the total impact of this bill.

Debate adjourned.

HON. G. MR. MacMURCHY (Minister of Agriculture) moved second reading of Bill No. 80 — **An Act respecting Saskatchewan Grain Car Corporation.**

He said: Mr. Speaker, The Saskatchewan Grain Car Corporation Act is, I think, another in the long history of firsts for Saskatchewan. The legislation before us today, Mr. Speaker, is the fulfilment of the commitment by the Government of Saskatchewan last summer to purchase 1,000 hopper cars to help move prairie grain.

Mr. Speaker, Saskatchewan was the first of the provincial governments to make a commitment. Saskatchewan is the first to bring legislation concerning the support and commitment before the elected representatives of the province for debate.

The commitment by our government last summer set off a series of commitments by

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other governments to acquire rolling stock for grain movement. Following Saskatchewan, Alberta announced it would purchase 1,000 hopper cars. Manitoba announced it would lease 400 cars for grain movement for one year, and the federal government announced it would lease 2,000 cars for 20 years.

Mr. Speaker, the commitment made by the Government of Saskatchewan to assist in equipping the Canadian railways was not entered into lightly. Transportation in Canada is a federal responsibility. It simply can't be otherwise. The country was built on the back of a rail spine and transportation has kept the country together. Transportation decisions in Canada are decisions which affect the national well-being of this country.

In addition to being a federal responsibility, transportation in Canada has always been a conscious national policy. Sir John A. MacDonald used transportation for a particular national purpose. Successive governments have used transportation both as a tool of national development, and as a tool of regional development. The policy of any federal government with respect to transportation is of vital importance to the country, and of vital importance to the health of each of its regions. Transportation decisions made in the national interest benefit the country as a whole therefore, and transportation decisions made for purely profit motives hurt the country as a whole.

In the last decade, the federal government has switched from using transportation as an instrument of regional development policy to using the Department of Regional and Economic Expansion as an instrument for development. Since 1967, Canada embarked on a philosophy of transportation in Canada based on competition, on profit, on what the market will bear, rather than on service at cost plus a reasonable rate of return. Because transportation in Canada is an essential public service, competition and the profit motive mean those who can afford the service get the service, and those who live in densely populated areas, close to markets, get cheaper rates and those who live further away from markets have to pay the higher costs of service.

Mr. Speaker, we wouldn't have electricity in rural Saskatchewan today if the CCF government had operated on the principles that are being applied to transportation in this country. We would not have telephones in rural Saskatchewan; we would not have roads or hospitals in rural areas and we wouldn't have milk in northern Saskatchewan today. It's simply not possible to run an essential service over an area where the population is unevenly distributed, on the basis of user pay. But that is what we have had in federal policy on rail transformation in Canada since 1967.

As a result of this policy railways in Canada applied for massive abandonments, in the late 1960s, of the so-called uneconomic branch lines. As a result of this policy rates on alfalfa and peas and lentils and coal and potash have gone up to what the market will bear. The rapeseed industry has been in the courts since 1979, attempting to get a fair rate on the movement of its product. As a result of this policy no industry can hope to obtain a lowering of the rate assessed by the railways, by arguing unusual or excessive rate increases.

If an industry objects, Mr. Speaker, the railways may negotiate. If an industry looks to the law for protection it has to prove, not that the rate is excessive, but it has to prove that the rate increase hurt the industry's competitive position. Therefore, under this policy of the federal government the focus is on the industry, Mr. Speaker, and not on the railway. Mr. Speaker, because the grain is protected by a fixed rate in statute, rail companies have made no investment in equipping the system to service the grain trade. The question which has to be asked is, not have the railways made excessive

profits through the rate, but what can this industry afford. In our minds this is an impossible way to run a transportation system in this country.

Under normal circumstances we would have nothing to do with assisting the federal government in a system which is their responsibility and is being directed on the basis of principles which we obviously oppose, but we can't do that. Because of the nature of transportation in Canada, federal decisions affect us. We are not spared the effects because we disagree with the policy. It is not the railways that are being hurt by federal government policy; it is the farmers of western Canada who are being hurt by federal government policy.

SOME HON. MEMBERS: — Hear, hear!

MR. MacMURCHY: — Mr. Speaker, boxcars for grain have not been purchased by Canadian pacific or Canadian National since 1950 in the case of CP and 1946 in the case of CN. In 1968 there were 30,000 boxcars for grain in the system, but they are being retired at the rate of 1,800 per year. We're down to 13,500 boxcars for moving grain. Neither rail company has bought a hopper car to be dedicated to the grain fleet.

No wonder, Mr. Speaker, exports of grain dropped in 1978-79 to 18.2 million metric tonnes — down steadily since the record year of 1972-73 of 21.4 million tonnes. In 1978, for the first time, the Canadian Wheat Board made public the figures of lost sales in the previous year — 2 million tonnes of grain. The board also announced it had to defer sales of another 2 million tonnes. Together deferred and lost sales totalled \$0.5 billion worth of farm income. The Canadian Wheat Board had assessed the situation and decided it just couldn't afford to sit back and let the deterioration of the transportation capacity continue.

In the fall of 1978 the Canadian Wheat Board put \$90 million of producers money on the table and ordered 2,000 hopper cars. But at the grain handling and transportation meeting in Winnipeg in January 1979, the wheat board approached the provinces and asked to share with the federal government in the purchase of 10,000 hopper cars.

We said no, Mr. Speaker. We said no because when the Hall report on grain handling and transportation was released in May 1977, the four western premiers agreed to urge the federal government to implement the recommendations of that report. Saskatchewan agreed with the other three western premiers.

We didn't entirely agree with the report. Our position had always been that transformation in Canada is a public utility and must be operated as such. But Hall had come out with the position saying, let's look at a new way of funding the railways. Let's give those railways one more chance.

The federal government should pay the railways the difference between the crow and what is compensatory to move grain. The railways would then equip the system. We accepted that principle. Indeed it was a compromise. It was not the public utility approach. It was the railways receiving a compensatory rate for grain they moved at the expense of the taxpayers of Canada. But we accepted the principle if it would mean adequate service for grain transportation in western Canada would be put in place.

With the Hall position still our commitment, and indeed still the announced position of all western provinces, when the wheat board asked the provinces to buy cars in January 1978, we said it is not the taxpayers' job to equip the rail system. It is not the producers'

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job to equip the rail system. It is the railways' job.

Through the spring and summer months last year, however, we began to understand the depth of the problem. We received information that the railways had no intention of buying rolling stock to service the grain movement until they received more money.

The wheat board was being undermined. International customers were questioning the board's reliability as a supplier because the board had to defer so many of its shipments. Other markets were being opened which the board was invited to bid on and couldn't because they couldn't get the product to market. At the same time farmers in northeastern Saskatchewan, particularly those on Canadian Pacific lines, were labouring under three bushel quotas. With all the talk of work demand the farmers were beginning to question the Canadian Wheat Board.

We determined we could not let that continue. The organization which has given farmers in western Canada, in Saskatchewan, their prosperity had to be strengthened. It had to be supported, not undermined. We made a decision that for the good of all prairie producers, for the good of the Canadian Wheat Board in particular, we would commit \$55 million of Saskatchewan resource revenues to purchase rolling stock to move prairie grain.

Mr. Speaker, we made that announcement at the meeting of federal-provincial ministers of transportation in Ottawa, July 30, 1979. One of the conditions Saskatchewan had established was that if the provinces were to participate, any cars purchased would then have to be taken into account if and when a long-run solution was found for financing the rail system in this country.

Friday, August 7, 1979 the federal Minister of Transport forwarded us a letter outlining his perception of the terms of reference under which the cars would be used. I'm going to table the letters and other documents relating to this hopper car purchase when I finish my remarks:

In summary the terms were as follows and I am quoting from the federal minister of the day, Don Mazankowski:

1. The wheat board would be trustees of the cars.
2. The cars would be provided free of charge to the railways for the movement of statutory grain within the western domain.
3. The cars would only be used for any other movement if agreed by both parties upon payment of appropriate rental rates by the railways.
4. The railways would maintain the cars.
5. The cars would be taken into account when the final decisions were made on the key statutory rate issue.

On August 14, Mr. Speaker, I forwarded a response to the Minister of Transport agreeing to the terms, subject to some questions and modifications. Subsequent to this exchange discussions were held with the Canadian Wheat Board, with both rail companies, to arrive at appropriate arrangements. On September 26, 1979 we signed

a memorandum of understanding with the Canadian Wheat Board. Mr. Speaker, our original preference had been that Saskatchewan cars would move grain being bought and sold by the Canadian Wheat Board on behalf of farmers — board grains, wheat, oats and barley. The board did not favour this approach, indicating it was too inefficient from a transportation point of view to move empty cars from one place to another to pick up a specific type of grain. We therefore agreed the cars would be used for all grains under the jurisdiction of the Canadian Wheat Board, which means board grains plus those grains for which the board has quota jurisdiction. The six grains listed under the Canadian Wheat Board Act are: wheat, oats, barley, rye, rapeseed and flax.

The agreement with the board is that the cars would be controlled by the board through the block shipping system. If at any time the cars were surplus to grain movement, they would be made available to Saskatchewan for use in other movements by arrangement. In particular we had in mind the possibility of an exchange agreement whereby Saskatchewan grain cars would be made available to the movement of potash in off-peak periods and potash cars would be available in exchange to the wheat board in off-peak periods for grain. Under the terms of the memorandum, the board would determine the priority of hopper car use for western grain shipment with emphasis on grain moving to export position. The grain would be grain originating in the western division, the area from Thunder Bay to Vancouver.

Our agreement with the Canadian Wheat Board is conditional upon the board retaining control over block shipping and the quota system. In the words of the agreement, in the event the board ceases to have effective control over the block shipping or the quota system, or if in the exercise of any governmental authority, control of the hopper cars was removed from the board, then in such event, Saskatchewan may, upon 90-days notice in writing, terminate this agreement.

The agreement provides that if not terminated under the 90-day notice clause, the agreement will be terminated upon the finalization of long-term arrangements for equipping and financing the rail system of the grain handling and transportation system; upon the termination of the agreement between Saskatchewan and the railways or five years, whichever comes first.

Mr. Speaker, October 4, letters were sent to both rail companies confirming our decisions with them. The railways agreed to accept a split of the cars to each rail company proportional to the share of grain traffic carried by each railway. In Saskatchewan terms, farmers living on Canadian Pacific lines ship about 53 per cent of the grain, and farmers living on Canadian National lines about 47 per cent of the grain. The cars will therefore be split on a 53 per cent-47 per cent proportion.

The cars would be made available at no lease fee for the movement of grains within the western division, but if they are used outside this area, for example, for eastern grain movement, permission must be obtained in writing by the railways and a normal rental fee must be paid. The railways agree to make the cars available in off-peak periods for potash and accept an alternate use agreement to be worked out if this is in effect. The railways agree to maintain the cars at their own expense and wherever possible the maintenance would be carried out in Saskatchewan shops.

Each railway agreed not to accelerate the retirement of its existing grain fleet because of the addition of these cars. Termination provisions apply to the railways as set out in the Canadian Wheat Board memorandum, namely termination upon 90 days of notice if the board loses control of the block shipping or quota system, termination upon

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finalization of the long-term arrangements for equipping and financing the rail segment of the grain handling and transportation system, or after five years.

Mr. Speaker, it is interesting that the agreements with the railways governing the operation of the Government of Canada hopper cars specify that the railways will have the option to purchase the cars at depreciated value at some point in the future. Saskatchewan was specific with the railways that this would not be the case with Saskatchewan cars.

Standard clauses for liability, arbitration procedures and so on were included in our agreement. Engineering and inspection services are normally carried out by each rail company on a fee-for-service basis to ensure the cars are manufactured according to specifications and are acceptable and contain no flaws.

The Saskatchewan Grain Car Corporation was established by order in council October 2, 1979 to provide a legal entity to carry out discussions and arrangements. Staff services are currently being provided by Crown Investments Corporation of Saskatchewan and the Transportation Agency of Saskatchewan. Once the legislation is proclaimed the Lieutenant-Governor in Council will establish a head office and the corporation will decide its staff requirements.

The cars have been ordered on behalf of Saskatchewan, 1,000 in number on an option for 1,950 cars that the Canadian Wheat Board held with Hawker Siddeley and National Steel Car Corporation for manufacture and delivery in the last quarter of 1980.

Saskatchewan agreed to accept the portion of this option rather than get in line itself with the manufacturing companies because of the significant time saving. If Saskatchewan had to wait on available space in Canadian car manufacturing plans for a new order, it might well be waiting until late 1981, 1982 or 1983 to obtain the cars. Time was of essence and Saskatchewan took the required initiative.

Saskatchewan cars are committed for delivery October, November, December of this year. Mr. Speaker, 500 will be manufactured at Hawker Siddeley in Thunder Bay and 500 will be manufactured at Hawker Siddeley in Trenton, Nova Scotia. We are negotiating with the manufacturing company for addition of certain safety features recommended to us by the grain service workers. These include safety grills under the hatches to prevent an employee from falling into the car. This kind of thing makes a good deal of sense to us.

The design on the side of the car will be in keeping with Saskatchewan's wheat sheaf logo and will be provided to the Assembly as soon as it is available. Negotiations are continuing with the railways on the detailed aspects of the rail operating agreements. These rail operating agreements are being conducted under the direction of the former chief justice, Emmett Hall, on behalf of the province of Saskatchewan.

Mr. Speaker, The Act respecting Saskatchewan Grain Car Corporation is a standard Crown corporation piece of legislation. A member of the Executive Council, as minister, is appointed, responsible for the act. He acts as chairman of the board or directors. Directors are appointed by Lieutenant-Governor in Council.

The corporation is empowered, by this act, to acquire railway rolling stock. It may enter into agreements with the Canadian Wheat Board, the railways and others regarding the use of the rolling stock.

It may enter into agreements for the maintenance and upkeep of this rolling stock. If necessary it may acquire facilities or equipment to undertake the maintenance. it may buy or sell rolling stock as it sees necessary and it may provide means of transportation.

The corporation is empowered to borrow from the Minister of Finance, or on the private market. The corporation has power to accept revenues and enter into agreements concerning repayments or funding.

The remainder of the provisions in the act provide for borrowing limits for the corporation; provide for other standard financial arrangements.

Mr. Speaker, with respect to the other provinces, Manitoba has this spring leased 400 cars from Pillsbury Doughboy in the United States. Cars are leased for six months with an option to extend the lease for another six months. Alberta delayed for some time placing its order for 1,000 cars. Just within the last week or so it indicated to the Canadian Wheat Board it will accept 200 of the wheat board's 1,950 cars. Last week it indicated it would be tendering for the remaining 800 cars to make up its commitment of 1,000 cars. There is no word on deliver date of the Alberta cars.

The federal government had placed the order for 1,250 cars through a leasing company. These cars would be manufactured in the April to July period of 1980. We are told by the federal Minister of Transport, however, that the remaining 750 cars of a 2,000 car commitment has been put on hold until they obtain an assessment as to how smoothly the car should enter the system.

It's hard to understand, Mr. Speaker, how the federal Minister of Transport can't see the urgent need for the cars in the system just by looking at the railways' export performance.

Mr. Speaker, a covered steel hopper car is 56 feet long, 14 feet wide and holds an average of 3,000 bushels of grain. given current car cycles a car can make about 19 or 20 trips a year. One thousand Saskatchewan cars, therefore, can move 57 million bushels or about 1.5 million tonnes to export positions each year. At \$4 a bushel, that means an injection of \$242 million annually into the prairie economy.

Mr. Speaker, we have been expressing our concern with the cost-price squeeze facing our primary producers. Members know we took to Ottawa a package which dealt with both sides of the problem — the costs as reflected in the problems of interest rates and the need for a moratorium as identified by the NFU (National Farmers' Union) and on the income side the price as reflected by the Two-price Wheat Act, as reflected by orderly marketing for beef and hogs and as reflect in the price of grain because of the U.S. grain embargo.

An important part of that package was the price issue, the embargo issue. We asked that the initial price for the 1980-81 crop year be increased from \$3.75 as announced by the minister to the current levels of \$4.25 and that farmers be guaranteed a final price in 1979-80 and also 1980-81 at least equal to pre-embargo levels. Even at that, Mr. Speaker, I say western farmers are making a sacrifice. We need a guaranteed price that fairly reflects world demands. I think it is incumbent upon all hon. members to pressure the federal government on behalf of farmers in their constituencies.

An essential part of protecting farm incomes is moving grain to the waiting world

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markets as fast and efficiently as possible. Saskatchewan has made a contribution to that movement, a contribution of \$55 million of resource revenue to ensure that the Canadian Wheat Board does not have to be restricted by transportation capacity in making its sales.

Regardless of what some would lead us to believe, the restriction is still very, very real. As of April 23, Canadian grain exports were only 9 per cent ahead of last year and last year was a poor shipping year. They've been stalled at a 6 per cent level since the beginning of the year.

The port of Vancouver is only 1 per cent ahead of shipments at this time over last year. The federal government had promised to increase the exports by 20 per cent over last year. Export movement, they said, would be 24 million metric tonnes. To date we have moved slightly over 14 million metric tonnes and there are only 13 weeks left in the crop year.

If we add to our current movement the amount moved in the last three weeks of the crop year in one of our best years, we will still reach only a maximum of 6.7 million tonnes. We will be far short, Mr. Speaker, of the 20 per cent increase promised by the federal government.

With the grain car corporation and the Saskatchewan investment we'll be continuing to press the federal government for appropriate protection of the public investment. As I discussed earlier, the history of railroading in Canada is that the only way the public can attain what it needs from the rail system is to invest some money in it. This has been true since the earliest of days. Unfortunately, it is still true today. Saskatchewan accepts that. We accept it reluctantly but we accept it.

Our fundamental position remains the same as it has for a long time, public ownership of the railways in Canada. But as we continue to have the federal government in Ottawa refuse to look at this option, we've had to accept the Hall position that the railways should receive compensatory rates for the movement of grain. The Hall position requires that the railways equip the system.

But with further expenditures by the federal government in the last three year — branch line rehabilitation, hopper cars, boxcar rehabilitation — and with the acceptance of the provincial governments to contribute to rolling stock in order to protect the producers in their provinces, we have a situation which is no longer the Hall report.

The railways are not equipping the system for grain movement. The public is equipping the system. In agreeing to purchase rolling stock we've agreed to the principle. But we've also insisted that with public money there should be adequate public control of the railways. The public investment needs to be protected. We do not agree with the terms of the co-ordinator. We didn't agree with them when he was appointed.

In our view, marketing and transportation are so closely tied together that the Canadian Wheat Board is the only body which can do an effective job of co-ordinating transportation in line with their market needs. What is needed to make the transportation system more effective is not a co-ordinator. Rather, all grains should be under the jurisdiction of the Canadian Wheat Board so that precious car times is not lost in sorting and extra handling of the individual cars of grains in rye, rape seed and flax at the port area and precious terminal space is not being taken up by individually owned

grains.

The federal government decision is not to put all the grains under the jurisdiction of the Canadian Wheat Board to achieve maximum efficiency in grain movements. Instead the federal government decided to establish a grain co-ordinator. The co-ordinator was given car allocation authority from the Canadian Wheat Board, but he was given no authority beyond that to deal with the railways. In our minds the co-ordinator, if there is to be one, must have more than friendly chats with participants in the industry. In our minds the co-ordinator must be held accountable for that 20 per cent increase in movement he is supposed to achieve in this shipping year. There is ample power in the Railway Act and in the National Transportation Act for the regulatory body of the Canadian Transport Commission to control the railways in the public interest.

Mr. Speaker, we have now an office of the Canadian Transport Commission in western Canada to control the railways in the public interest. In fact we have an office in Saskatoon. The office is staffed by two commissioners, enough under the legislation to constitute a quorum. It's not appropriate that the co-ordinator should take the power of the Canadian Transport Commission unto himself. A czar we don't need.

What we do need is a co-ordinator who has the responsibility to call on the back-up legal power of the western office of the Canadian transportation system for a fast turnaround of decisions so a railway can be effectively controlled in the public interest, and the public investment we are making that we have made will be protected. We will be continuing to press the federal government for a truly regulatory western transportation office.

Finally, Mr. Speaker, the argument continues that the railways need more money to move grain. We accepted this argument when we accepted the Hall report on the principle that railways should receive compensatory rates for the grain they move, with the difference between crow and compensatory rates paid by the federal government. By their actions in the last three years (and we've had three governments in the last three years) it is becoming apparent that the federal government has no intention of implementing the Hall report, no intention of paying the railways the compensatory rate.

Public investment of the kind we have seen in hopper cars has been the result. Provincial taxpayers have had to participate as well as federal taxpayers. We've accepted this reluctantly, Mr. Speaker, but let me make it very clear that it makes our position on the crowrate all the more firm. The crowrate is the West's deal with confederation. The crowrate for the producer is not negotiable. Action was required to keep the system moving. Action was taken at the initiative of the one New Democrat Party government in this country.

We have made a contribution. Let us hear no more talk of adjustments or crow benefits or crow advantages, or negotiations which utter from the mouths of Conservatives in western Canada. The West has paid its dues. Throughout history the West, in particular farmers, have paid their dues to this country. The crowrate is the only thing they have for themselves. Neither the federal government nor any province need to waste their time coming to talk to Saskatchewan about the crowrate.

Why would we negotiate something that is in statutes? What is there to negotiate? The statue is there. I say to all members in this Assembly, we can be proud of the Progressives who back there in Mackenzie King's days made a deal. Mackenzie King

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had to make a deal with the Progressives, as reported by the Canadian Pacific Railway. The Progressives from the West demanded the crow in statute. And that's how it got there because of the Progressive movement. In fact, I am proud of a man by the name of Fansher of Govan, within my constituency, who was elected in 1925 under the Farmer Labour ticket, and who was one of the Progressives who saw to it the crowrate was put in statutes.

Mr. Speaker, we are proud to stand with the Saskatchewan Association of Rural Municipalities, the rural municipal people of Saskatchewan. Mr. Speaker, we're proud to stand with the Saskatchewan Association of Rural Municipalities; we're proud to stand with the Western Canadian Cow-Calf Association; we're proud to stand with the National Farmers' Union and with the Saskatchewan Wheat Pool who say — keep the crow. I am pleased to include in the documents I am going to table the latest document which I picked up at the Yorkton Farm Fair, at the Saskatchewan Wheat Pool's display for all members of this Assembly to examine closely and to read — keep the crow it says.

Mr. Speaker, the legislation before the Assembly again show leadership on the part of Allan Blakeney and the Saskatchewan NDP government. We have initiated co-operation to get an essential job done. The world demand for Canadian grain is increasing; it will continue to increase. Farmers will respond to the challenge of producing grain, but they can't move the grain and this legislation ensures that the grain will get to market. I am pleased to move second reading of Bill No. 80

SOME HON. MEMBERS: — Well we listened with quite a bit of patients to a very long speech, Mr. Minister. It seemed to me as I listened to that speech, I have heard it several times before. He must keep a long file of these things. Yes, I have heard it many times. I would like to say to the minister that while I think the grain cars were needed, I am not in agreement with the method you used to move into the purchase of those 1,000 cars. I believe your government knew last winter when the legislature was in session that you were going to move in that direction. There was no provision in estimates last year to purchase cars. At no time did you come before the Assembly requesting permission to spend \$55 million, so in an after-the-fact method we approach it today to give authorization to something which was done last year.

It was not an emergency measure; it has been an ongoing process which has been there for some time. Your government gives lip service to the supporting of the legislature and to the work of the legislature but at every opportunity you go behind the back of the legislature, make your move and then come back to ask for ratification, and of course with a majority in the House are you bound to win the vote; we can't outvote you. But that doesn't mean the process that you use is right and I think that process needs to be challenged.

Another area which I am concerned about is that you stand up here time after time to state that your government supports the crowrate. You cannot support the crowrate on one hand and go out and buy hopper cars to break the crowrate on the other, and indeed that's exactly what you have done. The Canadian Wheat Board has also broken the crowrate. You know when you throw 2,000 cars in by the Canadian Wheat Board and another 1,000 by this government and 1,000 by another government, how can you say that the crowrate is still in effect. The crowrate has been broken and it has been broken by you and by the Canadian Wheat Board and by the other governments and

there's no way that you can come anywhere and states that's not the case because you know it's the case. I think this act is not a necessary act. You have bought the cars; there's no need of going the Crown corporation route. It seems that you have started one song and you must sing it every time you stand up and that's another Crown corporation to meet everything that happens in the province. I don't see it as the proper route.

I see the order in council was not approved until October but the actual order for the cars was made long ahead of October. Again we see an expenditure of money being made without proper authority. This year in public accounts, we've experienced that on several occasions. Here is just one more case of the government spending money when it did not have proper authority. I don't think anybody on that side will challenge that statement.

I'm concerned as well about the high level of borrowing set under this bill. To set a borrowing limit of \$200 million when you've bought 1,000 cars and the cost of those car was \$55 million, is indeed giving the -g authority to exceed anything that's reasonable. I cannot support the idea of you borrowing up to \$200 million under this bill. This would really, in effect, give you the authority to extend and buy cars to move potash or any other commodity within the province and then stand up and pat yourselves on the back for the good job and the amount of money that you're spending for agriculture because you bought a bunch more cars.

I don't agree that anybody should have that kind of authority. I think this borrowing limit should be cut to provide for the 1,000 cars and if there's a need to buy other cars that must come back to the legislature for approval. I cannot support that type of action by any government.

When we look at the make-up of your board of directors, it doesn't set any limits for that board. It just says, there shall be a board of directors. It doesn't state anything in there that will tie down who the board of directors shall be, how many members they shall be. It just says they shall be appointed. I think that it leaves the act too open and needs to be changed. I would encourage you to make some amendments when this bill comes to committee of the whole. I believe House amendments are easier to handle but if necessary we will be moving amendments.

I hope the minister will take serious thought over the next few days and follow some of these recommendations.

MR. E.A. BERNTSON (Leader of the Opposition): — Mr. Speaker, the minister in introducing this bill started off his comments with another first in the long history of firsts. The first about this particular bill is that it was firstly considered outside of this House and only after the fact, as pointed out by the member for Rosetown-Elrose, was it dealt with here.

All members in this House will agree there's a serious need for rolling stock to get out grains to export positions. To set the Minister of Agriculture at ease, we're going to support this bill but we will be bringing amendments in for the areas we're concerned with. I'll be touching on some of those alter. But before you injure yourself patting yourself on the back, I want to point out a little disproportionate commitment on behalf of Saskatchewan.

Number one, they didn't put 5 cents into Prince Rupert. Not one nickel from

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Saskatchewan went into Prince Rupert. We have 60 per cent of the export grain from Canada generated in Saskatchewan as opposed to, I think 25 per cent from Alberta. Alberta has put some considerable money into Prince Rupert and matched your 1,000 car commitment in rolling stock. I am concerned, as is the Minister of Agriculture, that the present administration in Ottawa is backing off on certain commitments made by the previous administration. But the previous administration under Don Mazankowski had a commitment through the co-operation of provinces, the wheat board, railroads, the federal government, Prince Rupert and Churchill, that by 1985 there would be something like an additional 7,400 cars of various styles (hopper cars, rehabilitative box cars and capped ballast cars) on the railroads in Canada. I think that is a very significant step forward. We supported Don Mazankowski then and we support him now.

The minister talked briefly about not agreeing with the powers of the grain car co-ordinator, about not agreeing that transportation properly belongs outside of the wheat board. I would tell the minister he is probably the only one in Canada, except for some of those intellectual giants you sit among, (who know nothing about farming or transportation), who does think that way. Not even the wheat board thinks that way. Charles Gibbings, Canadian Wheat Board commissioner, says he's delighted to give us some aspects of car allocation. Horner's responsibilities should be expanded so he can concentrate on the need for more rail cars, a larger fleet for lake freight, etc. Charles Gibbings, Canadian Wheat Board commissioner, says Horner's powers should be expanded. You don't even agree with the wheat board.

Mr. Speaker, the other concern I have is why a Crown corporation? What is it going to do? You have already said the railroads would be responsible for the maintenance of these cars. Why \$200 million borrowing power? You have just said they have already been granted \$55 million to buy the cars. Why \$200 million borrowing power. Are you going to start building railroads? Buy locomotives? Compete with CN and CP? The powers of this bill, Mr. Speaker, are far more than is necessary get the job done. These cars could have just as easily been purchased in the name of the Crown and given through contract to wheat board or the car czar, or whomever you might trust. This is just a little much. I don't understand, except for some philosophical bent your particular government happens to believe in.

MR. MOSTOWAY: — Ask the NFU what they think about this?

MR. BERNTSON: — I've talked to a few of them. If he decides to run for president of the NFU again, I'll run his campaign. As long as they were there, they didn't do that well.

Mr. Speaker, I still don't understand why we need a Crown corporation, except perhaps that this government will continue to avoid public scrutiny through its Crown corporations. Take everything you can out of this House and stick it into your Crown corporations committee where it's obsolete before it ever get anything close to scrutiny. The other motive you might have is that you take the assets of this happy little Crown corporation and count it as an asset in your otherwise shaky heritage fund to make it look a little better.

It was under Don Mazankowski that all these initiatives were taken. We supported him then. There is a need for rolling stock. The bottom line is to get the grain moving and I will take co-operation from a Prairie government, from the wheat board, railroad companies, Rupert, Churchill, Vancouver, Lakehead, all of them.

We have some real concerns about the bill. We'll be dealing with them in committee of the whole. We will be supporting the bill in second reading but we will be advancing amendments in committee of the whole. Thank you, Mr. Speaker.

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, anything put forward to help this incompetent, pathetic, worn-out grain handling system we have has to be a plus factor.

There are many factors that go into making our system into the condition described and I don't think I'll get very much debate or very much dispute from anybody. The fact of the matter is our grain system had done a good job for us over the years. The people who put it in place some 50 or 60 years ago did a superb job because it carried us right into 1980. but when they put it in place they never ever intended to visualize or envisaged the system they were putting in in those days would basically still be intact, still be expected to perform a function in the 1980s. In other words, as we left the horse and buggy age with everything else, I suppose they thought we would leave it with our grain handling system.

Mr. Speaker, I ask you to take a look at many of the elevators we have out in rural Saskatchewan. This morning I hauled a load of wheat to an elevator at a point called Grayburn, probably shortly to be abandoned and it should be abandoned. I hauled it in with a tandem truck, a new truck and it's the first load of wheat with it into this elevator. So we had a little problem there. We couldn't weight it because the scales wasn't big enough. That scale was hardly big enough to weigh a decent-sized one-ton truck and that elevator is still operating.

Now that elevator may not be representative of all elevators in Saskatchewan but it is representative of far too many of them. And I say the elevator system of all grain companies needs upgrading. The handling techniques need to be improved and almost everything about them needs to be upgraded and that applies to all grain companies. Some are doing something about it and some aren't . . . (inaudible interjection) . . .

Well now perhaps the member for Saskatchewan, who we realize is a self-styled expert on everything but regrettably I don't think agriculture is one of them. So in deference to you and everything else, perhaps you could maybe stay out of agriculture. With all due respect to the member for Saskatoon, I really don't think this is your ball of wax.

But as I hauled into that elevator today and finally was able to dump my truck because he weighed it into an overhead bin . . . I may also point out that my truck is not that large. It is quite representative of many trucks operating in the province today. But as I dumped the grain in there, it occurred to me that I am paying a tariff to that grain company which has pretty dramatically increased over the past couple of years, 300 per cent, almost equivalent to the benefits of the crowrate. I wonder how many people are aware the Canadian Grain Commission, at a time when the grain companies (and I say all of the grain companies) were putting out financial statements of record profits, gave them permission to increase their tariffs to a point almost equivalent to the benefits of the crowrate. Yet they passed this one over to the grain companies.

Mr. Speaker, I ask members to consider the hue and cry which would come from the elevator companies if farmers were to say or if the Minister of Agriculture were to say why don't you operate at grain tariffs at the rate of 1890. Mr. Minister, have you ever considered what reaction you would get if you were to say to the grain companies, why don't you reduce your tariffs to 1890 levels. Well, now, Mr. Minister, you say that to the

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railways. Let's haul our grain at 1896 rates. What do you think would happen if you said that to the grain companies? Well, they might say the same thing as the railways have said. They might say give us some subsidy and maybe we will do it.

Consequently, you make the system worse and worse just as we have done to our railways. We have said to the railways, haul it at 1896 rates, but we will help you. We will give you a subsidy here, a subsidy there until we have such a mish-mash, such a mixture that we have nothing but a mess in our railway system. We actually have situations where the railways face a disincentive were they to use those rail lines to haul anything other than grain, because their subsidy in that line would be reduced if they did it for any other revenue. In short we just have a chaotic system which simply does not respond.

I suggest to this Assembly today that our elevator companies are paid far too much for storing grain. They simply do not have an incentive to push the grain to do their portion, to do their job to push the grain through their portion of the system as quickly as possible. And I repeat, I believe all grain companies share in this responsibility and just accept their share of the blame.

To the railways, I say we have a chaotic mess, a situation which we have to face. Because frankly, Mr. Minister, I question that it should be necessary for the Government of Saskatchewan or the Government of Alberta to be placed in a situation where they have to buy hopper cars. It is no question the hopper cars weren't needed. I don't dispute that. Also, hopper cars are needed to haul potash. Did the Government of Saskatchewan have to buy their own potash cars? The Potash Corporation of Saskatchewan bought some. It is a debatable point just how badly they were needed. Does Kalium have to buy potash cars? Heavens no, the railways buy them.

I say there is something very dramatically wrong with the system when the people, who are doing that hauling, do not have the incentive to buy the hopper cars on their own and use them in a proper and efficient manner. We have muddled up our situation with the railways so badly there is no way you could put an incentive there to make them haul it. You can try legislating them and telling them they are going to haul it and provide Cadillac service. You can put that legislation in, but it doesn't happen. Canada National is presently government owned, theoretically it is under the dictates of the will of the people via the government in power. Do they haul grain any better than the Canadian Pacific Railway? I think you would be pretty hard-pressed to answer yes to that question. I don't think they do.

I suppose we could say they are all equally bad. I heard a comment in passing as they went out the door, maybe we should nationalize CPR. I abhor nationalization of anything, but if there ever was a company that probably deserve it, it is CP Rail. I don't advocate it but if anything deserves it, it does. As a matter of fact, when it come to CP Rail, they ruin every football game for me when that goes across the screen.

Mr. Speaker, let us go to the tracks we have throughout Saskatchewan. Those tracks have served us well for as many years as they have been down. For the length of time the system has been in operation it is a tribute to the people who put it in place. But it is now obsolete. In so many cases, they simply will not carry the kind of equipment necessary to move the grain.

I think one of the bright things in agriculture right now, despite its ups and downs, is the

grain business. As you look down the road a little bit grain is about the only thing that looks like it has any immediate future. Even though there is a short-term problem ultimately the grain business is going to be very good, well into the '80s.

The pork business is shot for goodness knows how long. The pork business is shot so badly it has ruined the cattle business, and the cattle business is a very borderline operation right now. But where the worldwide grain business looks good, has always looked good, somehow we in Canada find a way to foul up our section. We put Hazen Argue in charge of the wheat board and the price of wheat has been going down ever since.

However, Mr. Speaker, getting back to the tracks. I don't know how many of you have ever bothered to examine what a grain car full of wheat going to the west coast has to go through. Mr. Minister, I don't know whether you have ever followed a grain car out. I haven't, but I have watched a film. You know, it is a horror story. It's a wonder that the grain ever gets there.

Really, it is almost a technological achievement to get through that mess. It's taken out of the elevator, hooked onto the freight train going to the assembly point and then it starts the journey to Vancouver. It is a minor miracle that the thing ever gets there. It goes through the Fraser Pass which could almost be termed nature's revenge. There is one way in and the pass itself is a horror story. But that's the easy part because there you are contending only with nature.

Then you get to Vancouver and you go through a residential area. It is unbelievable. You come to the section where the train crew has to get out and let the train crew from another railroad company take them through. Then you come to the bridge which has one track going across to the terminal on the other side of Vancouver. Four railways use that track, four of them. When something happens to that bridge, goodness knows, well we saw a bit of what happened. But four railways use that and unless something has happened very recently I believe that bridge is American controlled. It certainly used to be. Now it may have change, but up to the last couple of years I believe that bridge was American owned and was controlled by an American company.

The point of the whole thing is, it is a horror story getting grain from Saskatchewan to the west coast. For those of you (and I say this to the rural members regardless of our political differences) who have never examined this, I invite you to do so. You are going to get a shock, just like I did.

Then when they get to the terminals, what is there? Are there ultramodern highly efficient operating mechanisms pumping that grain and loading it 24 hours a day? Hardly.

Mr. Speaker, I suggest to you that our terminals, the bulk of the terminals in Vancouver are a disgrace to our western Canadian farmers. Many of them are not operating at full capacity, not having the latest technological equipment. Many of them are a disgrace. I don't think there is one out there our farmers can be proud of.

Mr. Speaker, I suggest to you that many of our farmers today are being fed misinformation by special interest groups. I suggest to you that in many cases these special interest groups have a very vested interest in keeping the system in its chaotic status. That ranges from some elevator companies right down to unions.

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Mr. Speaker, the port at Seattle puts out about two-third of the amount of grain as does the port of Vancouver. The Cargill terminal at Seattle puts out triple the amount of grain of the biggest terminal in Vancouver. I don't know how many people man these terminals, but when there is a strike on, 500 to 600 grain handlers are out in Vancouver. I am subject to correction, but I believe it is 500 to 500. At that Cargill terminal which triples the output of any terminal in Vancouver, how many men do you think they employ? Is it 500, 400, 300, 200, 100? It's seven.

Mr. Speaker, we all witnessed the horror story a couple of years ago in the Western Producer which showed the spectacle of a supertanker, when the oil business was very good back in those dark and dreary days, parked in Seattle. At that terminal I just described they loaded it and had it on its way in 72 hours. That was pretty good, wasn't it?

Well there was also a supertanker loading in Vancouver. We did a fine job on that one. It took six months — six months.

The member for Cut Knife-Lloydminster laughs. To that member I say respectfully, you check out what I am saying and verify it. You check it out because you'll find it's a horror story. I wonder if you will be laughing? Really, for your own education, and I don't say this in a derogatory fashion, examine that system and I think you will be a little shocked.

At the same time we were loading one and it took us six months. We had a situation where the spout wasn't big enough to go to the far end of the ship so they had to take the ship away out to sea, burn the thing around and bring it back in to fill the other side.

Members over there smirk. You have all heard the story. I'm not telling you anything new. I think you know it. But the point of this whole thing is our system is a mess. And yes, we need some hopper cars. Yes, we need some tracks.

Well, I see the minister in charge of Sask Tel has a great deal to say. No question about it, he is an agricultural expert. But might I suggest to that minister that perhaps we could survive without your vast knowledge in agriculture. Maybe you could go back to sorting out the problems in Sask Tel, such as stopping jamming the people in Saskatoon and harassing little businesses. I think we could get along without you in agriculture for a little while but don't stay away too long.

Anyway, Mr. Speaker, our entire grain handling system is a chaotic mess. More hopper cars are unquestionably a step in the right direction. And I guess we're going to support you on the second reading of this. Mr. Minister, I suggest to you very respectfully, they certainly are a welcome addition. I think everybody in this Assembly knows we have a mess in that whole system, from one end to the other. And nothing is really happening. We are engaged with special-interred group versus special-interest group. Something has to happen. How long ago did the Hall report come down? What's really happening on it?

I note the minister has not reminded the Prime Minister of his promise about double tracking the CNR all the way to the coast.

Mr. Speaker, that's the kind of garbage we have to put up with and is probably why our grain handling system is being impeded in its upgrading. We have a national leader which is even a bigger indictment (he got elected on this) putting forward garbage like

he's going to double-track the CNR all the way to the west coast. We wonder why nothing happens in our grain handling system.

In closing, Mr. Minister, you are in what should be the most important portfolio in the province of Saskatchewan. There are difficulties out there. The difficulties come simply because we cannot move our grain. One of the reasons why we're having difficulty . . . When there's a lot of grain around the buyer can be pretty selective. I don't think we're going to get very much argument when I say Canada now has a reputation in international circles of being a highly unreliable supplier. When was the last time you heard somebody talking about what we are going to do to please our customers? What are we going to do to satisfy our customers and keep them? Instead we have engaged ourselves in a debate. Are we going to haul our grain 8 miles or 15 miles? We consider that far more important than how are we going to service our customers.

What's the point in growing the stuff if we can't see it? I suggest to you that an integral part of satisfying our customers is getting that grain to the terminals when it's supposed to be there, loaded when the ships are there, loading them quickly and efficiently. Without that, Mr. Minister, we don't really have an agricultural economy. At least we have one that's certainly in a great deal of jeopardy.

Mr. Minister, I guess we're supporting this second reading for agreement in principle. But I think we all know it is only a very, very small start but certainly a significant one.

MR. G. BANDA (Redberry): — Mr. Deputy Speaker, I certainly find it interesting sitting here and listening to the members this afternoon, particularly the member for Thunder Creek who just about made a complete turn. I thought for a while that he was, in fact, going to recommend that we nationalize the railroads. That would be a change for him.

Mr. Deputy Speaker, I want to make a couple of comments on what some of the members have said about this bill. It's interesting as usual to hear members from across the floor who have been up for the last two or three weeks to ask our government to be doing something about the agriculture industry, to be helping farmers and then get up to say, as the member for Rosetown did, that this government shouldn't be setting up a Crown corporation and shouldn't be spending that kind of money on railroad cars unless it's brought to the legislature. Then you hear the other members get up to condemn us for standing up for the crowrate which those members have quite clearly — the member for Thunder Creek has just said that he doesn't support . . . (inaudible interjection) . . . The hon. member had his chance to speak, if he'll listen for just a moment, he might learn a few things.

The member for Souris-Cannington made a great speech about what the Alberta government was going to do to help the movement of grain. Mr. Deputy Speaker, I want to inform the members of this House that the Government of Alberta is making a loan to the consortium of some \$100 million. To listen to the member for Souris-Cannington, you would believe they were donating that money to help the grain industry; that is not a fact. I understand there will be about a \$3 million grant out of the total amount of money to be given to the consortium.

Mr. Deputy Speaker, I want to say that members on this side of the House support development at prince Rupert. But we also support the other port of Churchill as well. We don't support one port at the expense of others.

I think it has been mentioned that it's essential for the federal government to live up to

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its commitment of a transportation system and a grain handling system in this country. Members opposite just a few months ago had the opportunity to support a federal government which was of their philosophy and what did we get? We got higher interest rates. We got the support of an embargo on grain which producers in Saskatchewan are now suffering from. Producers in Saskatchewan now are suffering a loss from 80 cents to \$1 a bushel because the Conservative government of this country supported the United States in embargo on grain. That's how the Conservative Party supports the farmers in Saskatchewan, Mr. Deputy Speaker.

Mr. Deputy Speaker, the member for Thunder Creek mentioned that if you raise the rate we'd have enough cars. Well, I want to just use the example of the Potash Corporation of Saskatchewan, Mr. Deputy Speaker, where the rate is about 10 times as much as grain and the Potash Corporation of Saskatchewan has to lease cars to haul potash because there are not enough cars in the railway system . . . (inaudible interjection) . . . Right. The hon. member mentions Montana. We were just down a short time ago investigating the problems there. There (where the rates are six times the rates of Saskatchewan farmers) the rails are worse than they are in Saskatchewan and they're abandoning railroads and elevators every day.

There is no assurance, Mr. Deputy Speaker, just because members opposite and Cargill Grain Company want to raise rates, that the farmers of Saskatchewan are going to have a benefit. It was interesting a week ago to learn, Mr. Deputy Speaker, that one of the railroads which has complained bitterly about losing money, CN, announced a profit of some \$130 million, I believe, last year. One would wonder what all the talk is about losing money in the grain-handling system.

Mr. Deputy Speaker, if we look at the movement of grain this last year (when members opposite again supported the federal government) the federal government estimated exports would be increased by at least 20 per cent this year. What are the results? It's worse. It looks like it's being done all right.

Mr. Deputy Speaker, they talk out of one side of their mouths, then on the other side of their mouths. When it is time to do something, when they have the power to do it, we get nothing.

Mr. Deputy Speaker, I support the Minister of Agriculture in bringing forth this bill, support the Government of Saskatchewan in undertaking to purchase hopper cars to help Saskatchewan farmers. I think it is a long-term investment. It's investment that is going to help farmers not only today but in the future.

I want to study the comments made by some of the members opposite, Mr. Deputy Speaker. I beg leave to adjourn debate.

Debate adjourned.

HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)) moved second reading of Bill No. 81 — **An Act to amend The Renters Property Tax Rebate Act.**

He said: Mr. Speaker, it gives me a good deal of satisfaction to move second reading of this bill. The renters' property tax rebate program was introduced by our government in 1979 as part of a package of three rebate programs and includes the property improvement grant and the senior citizens' school tax rebate.

The renters' property tax rebate, Mr. Speaker, is an important element of our property tax rebate system because it recognizes renters also pay for the cost of municipal services indirectly through their rent. The program recognizes the property tax contribution of renters by allowing a rebate of 5 per cent of rent paid up to a maximum of \$115 per year. The program and the two other rebate programs, the property improvement grant and the senior citizens' school tax rebate, make up a package of property tax rebates which reach almost every household in Saskatchewan. Mr. Speaker, this is proof our government is doing its part to reduce the impact of property taxation on all citizens of Saskatchewan.

The renters' property tax rebate is available to permanent residents of the province, that is, people who rented their place of residence for at least six months during the year in question. One of the methods my department uses to administer this program to determine whether an applicant is a permanent resident of the province is the requirement that an applicant holds a Saskatchewan health services card. However, Mr. Speaker, there are people in Saskatchewan who are permanent residents of the province who contribute to the property taxation indirectly through their rent and who in every other way, are contributing citizens of the province but who are exempt from the requirement of holding or possessing a Saskatchewan health services card. Mr. Speaker, I am referring specifically to members of the armed forces and the RCMP. These people should also be eligible for the renters' property tax rebate.

One portion of this bill is devoted to the principle that in our property tax rebate program these people should not be treated differently than other permanent residents of the province. A similar provision is being brought forward for The Property Improvement Grant Act and the senior citizens school tax rebate program as well.

Mr. Speaker, I urge all members to support the provisions of this bill.

A second part of this bill concerns senior citizen renters. I am sure all members of the House will agree with me that our senior citizens have made a very significant contribution to the development and well-being of this province. Most of the senior citizens are receiving significant benefits from our property tax rebate program because they are paying property taxes directly to municipalities, or indirectly through rent.

There is a group of citizens, however (senior citizens I refer to) who live independently in quarters owned by nursing homes, and senior citizen homes but who are not receiving subsidized nursing care. These people are in every way living independently except that their rent is paid to a landlord exempt from property taxation. Mr. Speaker, these people have paid property taxes, directly or indirectly, for their entire lives and to deny them a renter's property tax rebate, even though they live independently and without subsidized nursing care, would be unfair.

The amendment, Mr. Speaker, would allow senior citizens renting accommodation in tax exempt properties and not receiving subsidized nursing care to be eligible for a renters' property tax rebate. That is the key amendment to this bill, Mr. Speaker. I therefore urge all members to recognize the lifetime of property tax contribution made by senior citizens in situations I have described, and I would urge all members to support second reading of this bill. Mr. Speaker, I move second reading.

MR. R.L. ANDREW (Kindersley): — I can say at the outset that the two rather

housekeeping type changes will be supported, obviously. The two groups mentioned by the minister obviously should have access to this plan. I think there are various problems with the plan but we're not going to get into that debate. That has happened before in this particular legislature. I do wish to point out another group I've experienced in my constituency, who have had trouble with not only this plan, but the rebate of property taxes. That's a person who farm in Saskatchewan, pays his taxes in Saskatchewan, and contributes his money to Saskatchewan. However, for six months of the year he seeks to live in the province of Alberta perhaps in the city of Medicine Hat, perhaps in the city of Calgary. He doesn't get that rebate because he doesn't have a medicare card. And the reason he doesn't have a medicare card quite frankly is this. With his medicare card in Alberta it takes the Medical Care Insurance Commission of Saskatchewan something like six months, in some cases, to process that bill through to Alberta. That creates a serious problem for those guys who have come to the point . . . (inaudible interjection) . . . I didn't say that. I just mention this on the total thing on renting. And property is the same thing. But it is a point that comes up . . . (inaudible interjection) . . . O.K. I'll let it go the next time.

When that comes up, that person as well should be exempted, or should be allowed to get his property rebate without necessarily having a medicare card. If the fellow wants to go to Alberta to get his care there, fine and dandy. But let him into it too. I would ask the minister to perhaps consider that. I do say we're going to support this. It's a minor bill. I think we'll support it and let it go to get it out of the way.

MR. W.J.G. ALLEN (Regina Rosemont): — Mr. Chairman, I want to make a couple of very brief remarks in connection with this bill, and particularly that section which extends benefits to senior citizens living in tax-exempt property.

As many of the members will know, I have a large group of citizens in my constituency who live in Pioneer Village, and to tell you the truth I had always thought the rent rebate program applied to them. I didn't discover, and they didn't discover, I think, until this fall when they went to get forms to fill out to get the rebate that they weren't eligible.

They contacted me. I immediately went to the minister. The only reason I'm on my feet today, Mr. Speaker, is to thank the Minister of Municipal Affairs (Urban) for the very prompt attention he gave to this problem to resolve it for the constituents who live in my constituency and for many of the other senior citizens who are in similar circumstances. I want to congratulate the minister for helping these people out. That's all I wanted to say at this time, Mr. Speaker.

MR. P.P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, I too want to be very brief in speaking about this bill. I want to congratulate the minister for introducing amendments to enable residents of institutions, who don't pay local municipal taxes, to be able to take advantage of the renters' rebate. I'm thinking specifically in terms of the residents of Luther Tower in Saskatoon. While it's going to be on record I may as well admit that my mother is a resident of that particular institution so I do have a pretty good line of communication with most of the residents there, not necessarily through my mother, although she's one.

But I wanted to mention, Mr. Minister of Municipal Affairs (Urban) that when this was pointed out that they were not eligible about six months ago, steps were taken. I know it was brought to your attention. I certainly didn't have to do it because I know the hard-working member for Regina Rosemont took care of that. he brought it to your attention and others. I do know the residents of, for example, Luther Tower in Saskatoon were a

little sceptical. But I assured them our government is very receptive to the needs of people, particularly senior citizens. And I might say that seemed to allay their fears. When you announced a little while ago in the budget speech that they would be eligible, that more or less put the topping on the cake. They now know for sure our government always keeps its word. And I want to thank you very much, Mr. Minister.

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Mr. Speaker, I want to thank my colleagues for the support they have expressed in the second reading of this bill. The hon. member of the opposition did indicate they will support the principle of the bill, but made reference that in the case of the property improvement grants, persons who do not spend at least six months in Saskatchewan are not eligible. I think there is certain justice in that very proposition because if they are residing elsewhere and out of the province except for a short period of time, they don't pay taxes in Saskatchewan.

Now, it's true they will pay property taxes but that's only one part of it. So I think that would be an unfair proposition to rebate taxes to people when they spend it, in the case of their purchases, in other areas, pay their income tax to another province not to our province, buy their goods somewhere else. I think the legislation we have treats people well and fairly. If they spend at least six months of the year here they will get the rebate.

Mr. Speaker, with those few remarks I move second reading of this bill.

Motion agreed to and bill read a second time.

HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)) moved second reading of Bill No. 82 — **An Act to amend The Property Improvement Grant Act.**

He said: Mr. Speaker, I have a very brief statement in respect to this bill. In fact, we'll make it even briefer with the permission and co-operation of the members.

This is a very simple amendment. It deals with the same problem which we have in respect of the renters' and the senior citizens' school tax rebate program that persons must have the valid health services card in order to be eligible for the grant. They must naturally pay their taxes and be a resident. But we do have persons, RCMP and army personnel in particular, which do reside for six months but don't have the health services card and for that reason are not eligible. It's trying to correct an anomaly because they are residents. What has really been happening in the last while was that they have made their wives, who are eligible for a health services card . . . It creates certain administrative problems and confusion. We are trying to correct that anomaly in the case of the property management grant.

MR. ANDREW: — Again we still be supporting this motion. The only thing I would say to the minister (and it is perhaps by way of form) is very often we have amendments advanced on legislation or legislation advanced on this. I wonder sometimes perhaps if the government opposite would not consider, when they bring acts into the House, the regulations sometimes become the material thing as to who is going to qualify for this and who isn't and what the category is going to consist of. Perhaps proposed regulations sometimes would go along with that so that we would get a better idea just exactly what is in it. I think it is a general statement for all minister that too often we see legislation that delegates power to the order in council and later on the real meat of the legislation is advanced after the session is over.

May 1, 1980

Motion agreed to and bill read a second time.

HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)) moved second reading of Bill No. 85 — **An Act respecting the Assessment of Real Property, Businesses and Special Franchises.**

He said: Mr. Speaker, this is hopefully less than a two-minute speech which I am going to make in respect to this bill.

With the division of the previous Department of Municipal Affairs into two separate departments — rural affairs and urban affairs — it was necessary to split most of the department's functions between the two new departments. However, Mr. Speaker, the assessment function is one which could not be split without hampering efficiency and delivery of service. If this government were to split the assessment function between urban affairs and rural affairs, such a move would result in excessive and unnecessary duplication of staff. The greatest risk, however, would be the likelihood of lack of uniformity between the two operations. The maintenance of an equitable relationship between the rural and urban sectors is crucial. Uniformity in assessment is also an important factor in the calculation of numerous grants based on assessments, Mr. Speaker.

This bill contains all the assessment provisions on sections of the previous department on municipal affairs. Mr. Speaker, there is nothing new in this bill. It's from the old department, the opposition has checked it out, probably you will agree with me it's not necessary to provide explanatory notes. It's merely taking out those sections in the former bill and putting them into this bill because of the split.

As a result, we will provide for the continuation of the assessment functions despite the splitting of the previous department. Moreover, the assessment functions will continue without any loss of efficiency and delivery of service. With those few words, Mr. Speaker, I urge all members to support the bill. I move second reading.

Motion agreed to and bill read a second time.

The Assembly adjourned at 5:03 p.m.