

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Nineteenth Legislature

Tuesday, March 31, 1981.

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

WELCOME TO STUDENTS

MR. MATSALLA: — Mr. Speaker, it gives me great pleasure to introduce to you a fine group of people from Canora constituency. They are seated in the Speaker's gallery. They are 76 grade 8 students from the Canora Composite High School. They are accompanied by their teachers, Mr. Michael Okrainetz and Mr. Bill Ryczak; their chaperones, Rev. Roy Jamieson and Mr. and Mrs. Ted Palagian. As well, their bus drivers are David Shabbits and Adrien Fullawka. Their trip here is another one of the projects undertaken by the local Kiwanis Club in Canora and the school division board. I hope the students and their chaperones are going to have an interesting, informative, and enjoyable afternoon here and in the capital city. I will be meeting with them for pictures and refreshments later in the day. I'd like all members here to join with me in expressing a warm welcome to them.

HON. MEMBERS: Hear, hear!

MR. SWAN: — Mr. Speaker, it's my privilege today to introduce to you and to the members of the House, 45 grade 8 students from the Rosetown division 3 school. They've journeyed quite a piece today to be with us in the legislature. I hope that you are going to find this an interesting day and that it will be informative. I'm sure you are going to have questions when the question period is over. I'd be pleased to meet with you in room 267 and we'll have refreshments and an opportunity for questions and answers. Will you all join me in welcoming these students from Rosetown.

HON. MEMBERS: Hear, hear!

HON. MR. ROMANOW: — Mr. Speaker, it's my pleasure also to welcome a group of 34 grade 7 students from Princess Alexandra School in Saskatoon. They are accompanied by Mr. Lozinsky, Mr. Grey, and Mrs. Bonderanko. They will be staying in the Legislative Assembly until about 3 o'clock. I gather that either the Lieutenant-Governor or the Administrator will be here at 2:30 to approve some legislation, which is an extra little treat, I think, for all the students visiting us today. I welcome them to the Legislative Assembly and look forward to seeing them for a few minutes later this afternoon.

HON. MEMBERS: Hear, hear!

MR. DYCK: — Mr. Speaker, I'm very pleased to introduce to you and to this legislature two students from the Saskatoon Mayfair constituency. I'd like to introduce to you and to my colleagues, my son Bev John Alexander Dyck, who is sitting in the west gallery, and his colleague and friend, Craig Clarkson. My son, Bev John attends River Heights School in Saskatoon Mayfair, and Craig Clarkson attends St. Anne's School in Saskatoon Mayfair. The judgment of their fathers was that probably they could learn as much here today as they would at school, and I trust that the question period will bear that out, Mr. Speaker.

HON. MEMBERS: Hear, hear!

QUESTIONS

Court Action on the Constitution

MR. LANE: — The obvious first question to the Premier. Newfoundland's Supreme Court's unanimous decision today would indicate there has been a very serious error in judgment on the part of the Premier in refusing to join the six provinces which opposed unilateral patriation by taking court action. Would the Premier today be prepared to commit himself to an immediate reference to the court of appeal of the province of Saskatchewan under the constitutional references act and/or make a commitment today that he will join on the side of the six provinces challenging unilateral patriation before the Supreme Court of Canada.

HON. MR. BLAKENEY: — Mr. Speaker, I would be happy to reply to the question of the hon. member for Qu'Appelle. With respect to his first assertion, I am at a loss to know what difference in the legal results there would have been had there been one more or one less province. I think the result would have been exactly the same and, accordingly, whether or not one more or one less province joined would not have in anyway affected the outcome, in my judgment.

With respect to the second question, we have no intention of making a reference to the Court of Appeal of Saskatchewan. With respect to the third question, we intend to intervene in the supreme court hearings dealing with the court of appeal hearing from Manitoba and very possibly Newfoundland, if the hearings are consolidated.

MR. LANE: — Supplementary. My reference to not joining the other provinces stems from the stated written fear of the government of Pierre Elliott Trudeau of a common western front, as stated in the leaked strategy document of last fall which has been much debated. You have attacked the Conservative opposition here in the province for our statements as to the need for unanimity when such federal action affects the rights of the provinces. The Supreme Court of Newfoundland said that there must be unanimity. You have opposed that in many different speeches recently in this Assembly. Are you now prepared to change your mind on your opposition to the question of unanimity? Will you support the six challenging provinces in their position that actions by the federal government affecting the rights of the provinces must have their unanimous support?

HON. MR. BLAKENEY: — Mr. Speaker, we have presented our view on a number of occasions that, in the federal state of Canada, constitutional change must require the consent of the parliament of Canada or at least the House of Commons of Canada, representing the federal regime, and a general consensus of provinces representing the provincial regime. We do not necessarily take the view of the Court of Appeal of Newfoundland that unanimous consent of all the provinces is required. We propose to present our legal position, because we think it is the right policy position. We will, as I indicated earlier, be intervening in the supreme court; that is our present intention. We will be arguing there for the point of view I have put forward that the current federal resolution is not in accordance with the constitutional law of Canada, because it does not have a sufficient measure of provincial support.

In our judgment, we do not weaken but perhaps strengthen the case of the six

intervening provinces. If you are attempting to oppose a position taken by, in this case, the federal government, there are frequently sound grounds for having two bases of opposition. The one advanced by the six provinces is that it fails to comply with the unanimity rule and secondly, there is the position which we hope to put forward, that it fails to comply with a general consensus rule. I would have thought that strengthened the provincial case rather than weakened it.

MR. LANE: — Would the Premier not admit an inconsistency in the statement he just made that your addition to the court challenge will strengthen the provincial position? Your earlier statement, of course, was that one more province won't make a difference one way or the other. Would you not admit that the same argument can be taken the other way, that is, if you fail to support the other six provinces in their arguments before the Supreme Court of Canada (particularly the question of unanimity), that it will not give two bases for argument, but will divide one strong basis for argument, and that your failure to support unanimity with the other provinces will be another example of the Government of Saskatchewan attempting to pull the rug out from the other provinces which have been firm and strong in their opposition to Pierre Elliott Trudeau's unilateral patriation?

HON. MR. BLAKENEY: — Mr. Speaker, I find that a rather surprising argument coming from a member of the bar. I cannot believe that a legal proposition is made any more strong or less strong for the supreme court based upon the number of people who argue the same proposition. If, in fact, our objective is to show that the federal proposal is contrary to the constitutional law of Canada, surely the provinces are better off with two arguments based upon two different propositions of law than they are with one argument based on only one proposition of law. I would have thought that an elementary point in advocacy. If you have two arguments, you use them, even though one may be thought to be stronger than the other. Accordingly, we will persist in the view which we put forward, the policy position which we think is right, the legal position which we think is right, and, incidentally (perhaps not incidentally), we strengthen the entire provincial position by so arguing.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — Question to the Premier. Would the Premier be prepared to state unequivocally right now whether or not he will be supporting the other six provinces on the legal question of unanimity? I don't need to tell the Premier of Saskatchewan that we are now in a legal argument before the supreme court, and his policy arguments, as many and as varied as they have been, are to a great degree now irrelevant.

HON. MR. BLAKENEY: — I will state unequivocally that we propose to support the other provinces in their proposition that the course of action being pursued by the Government of Canada is contrary to the constitutional law of Canada. I will not state for him all of the legal arguments which might be used in support of that proposition.

Press Release on Conflict of Interest Guidelines in Public Service

MR. THATCHER: — Mr. Speaker, question to the minister in charge of the Public Service Commission. Perhaps the minister may now have had an opportunity to peruse the press release from his office. I would, therefore, like to ask the minister a question. As the press release indicated, it will not be mandatory for highly placed public servants to disclose their assets as is the case in this Assembly. It will also not be necessary for them to indicate what corporate holdings they may have which will do business with

the government. That's in accordance with your press release. My question to you is this: in light of the recent scam in the Department of Culture and Youth involving the two employees who were suspended (one subsequently fired and the other one re-hired), would the minister agree that the regulation or the concept as outlined in your press release of yesterday is really outdated before it goes into effect tomorrow?

HON. MR. TCHORZEWSKI: — No, Mr. Speaker, I would not agree. As I indicated, we will be making the conflict of interest guidelines available to the members of the House this afternoon. I think that it is necessary because of the complexities of government and because of the wide range of things which public servants are involved in on behalf of the government, that we do have some conflict of interest guidelines that are clear and explicit. We have them developed and we are going to apply them.

To require mandatory disclosure for all public servants, I think, would not achieve to a large extent what is required, because we can just as well do it with the guidelines which we are going to be establishing as of April 1, 1981.

MR. THATCHER: — A supplementary question to the Premier. Mr. Premier, if, in the infinite wisdom of your government, you have decided that such guidelines (if I may be facetious and point out that we have been suggesting this for a couple of years) are necessary for public servants or for the public service, would the Premier not agree that it would be equally or more pressing for employees of Crown corporations, particularly the heads of Crown corporations or the very senior management types, because of the large volume of funds which are at their disposal? If it's good for the public service, is it not essential for employees of Crown corporations, at least the highly placed ones?

HON. MR. BLAKENEY: — Mr. Speaker, may I assure the hon. member that the wisdom of the government, while extensive, is considerably less than infinite, and we would like humbly to confess that at this time.

I would also like to say that the point made by the hon. member has merit. I think that we will be considering (and I won't put it any stronger than that) the terms of reference or guidelines for employees of Crown corporations. We have not had difficulty in that sector, but I would suggest, as the hon. member might, that the time to have the guidelines is before we have the difficulties rather than later, and some consideration will be given to the suggestion which he puts forward.

Leaking Roof at Plains Health Centre

MR. ROUSSEAU: — A question to the Minister of Health. Mr. Minister, at 8:30 this morning, at the invitation and request of a patient, I visited the 11th floor of the Plains Health Centre, and what I found there was a disaster area, at least on two wings of the building. It was a result, I might add, of yesterday's rain, which wasn't really that heavy. Since you have known about the problem of the leaking roof of that building for the last eight years, I'm told, why have you taken so long in taking action in repairing that roof, and why have you let it deteriorate to the point that it has?

HON. MR. ROLFES: — Mr. Speaker, I think it is obvious to everyone here that I have not been the Minister of Health for eight years. But having said that, I did take action in my term of office in letting a contract to Clark Roofing some time ago. I'm sure that the member is aware, as are the media that accompanied you this morning, of the situation. Mr. Speaker, it is my understanding that if the weather permits, the low roof at the Plains Hospital will be completed by about June 26. They have had some difficulties

there in that they had an accident involving the foreman, I think, and that delayed it to some extent. But my understanding is that everything will be completed by the end of June. That is, the lower roof will be completed.

MR. ROUSSEAU: — I'm not concerned about the lower roof; I'm concerned about the one on the 11th floor. When will it be completed?

Mr. Minister, first of all, I did not accompany the press to the area this morning. I understand the press were there about 10 o'clock. I was there at 8:30. I have not talked to the press. You can ask any one of them up in the gallery. I have not talked to the press today, nor did I ask them to go. I can tell you who did.

The patients were left on that floor all night, as you are probably aware. Could they not have been moved to a different area? I understand the cardiac care unit is also on that floor. The noise was a bit distressing to some of those patients. Could they not have been moved to an area where the rain, or the water, wasn't pouring down into the tubs beside their beds and in the hallways?

HON. MR. ROLFES: — Mr. Speaker, I don't know what the member is alleging. My understanding is that there is inconvenience, and there will be for some time. I think we all understand that. My understanding, which comes from the administrator of the hospital, is that everything is being taken care of. They are attempting to accommodate the patients as well as they can. They are proceeding as quickly as possible in the repairing of the roof. We know that during the repairing there will be some inconvenience. But we will do the best we can to ensure that everybody is taken care of and their health not endangered. I have been given that assurance by the administrator.

MR. ROUSSEAU: — You indicated a minute ago that the lower portion would be repaired and ready by June. Can you indicate when the 11th floor, the roof of the top floor, will be ready?

HON. MR. ROLFES: — I don't have that information here. But it will be completed this year.

Rural Farm Housing Program

MR. GARNER: — Mr. Speaker, my question is to the minister in charge of Sask Housing. Mr. Minister, on about March 11 of this year, you announced a rural farm housing program of approximately \$5 million for building 100 homes in all of rural Saskatchewan. My question involves the criteria for making application for a home through this program. What influence does it have on your government if these people are on land bank land? If you have a land bank lease, are you going to get priority in getting a new house in rural Saskatchewan?

HON. MR. SMISHEK: — Mr. Speaker, I don't think a person's having a land bank lease will have any bearing on his being able to qualify for that housing.

MR. GARNER: — Supplementary, Mr. Speaker. Mr. Minister, can you tell this Assembly, and especially all of the people in rural Saskatchewan, how you are going to divide a Mickey Mouse program of 100 homes in all of rural Saskatchewan? And is it not true, and will you not now agree, that for homes being established on land bank land, they

cannot mortgage the land because the government already owns it? They are allowed to mortgage their machinery. When things go badly you not only own the land, you own the machinery. And the young people in rural Saskatchewan are gone.

HON. MR. SMISHEK: — Presumably, on that basis, also the house will be owned as well, because I doubt whether the farmer could possibly pick up the house and run away with it. I don't think it's a Mickey Mouse program. It's a program which I know has been very well received. We're hoping to get started with the program by May 1. We believe there is a need for the program from the inquiries that are being made. I hate to differ with the hon. member, but it's a program that I think will be one the farmers will appreciate. This is the start of the program. It is 100 units. I think it will be a fair start. But, if there are more than 100 farmers who will require the housing under this program, then I'm sure the housing corporation together with the government will review it and see whether we will be in a position to extend beyond 100 in the first year of the start.

Population of the Villages and Towns in Saskatchewan

MR. SWAN: — My question is to the Minister of Urban Affairs. Going back to March 12, you issued a press release and in it you say that no other province supports its towns and villages like Saskatchewan does. You go on to . . .

SOME HON. MEMBERS: Hear, hear!

MR. SWAN: — Wait a minute, gentlemen. You go on to make another claim that over half of the people in Alberta and Manitoba live in their urban centres, but that's not true in Saskatchewan. I think you should add a little bit to that. In Alberta they have two very large cities which do add up to over a million, but they also have over a million people living in the small towns and villages. My question is: are you aware that in Saskatchewan 40 per cent of the towns are dying, while in Alberta and in Manitoba that is not the case?

HON. MR. SMISHEK: — Well, Mr. Speaker, I don't know where the hon. member has been, because I have travelled through many of the towns and villages in Saskatchewan, and I can tell the hon. member that there is a good deal of activity, of rebuilding and of rejuvenating our towns and villages. There are programs like the business improvement district program and the Main Street program providing a good degree of activity. The point I was making, when I made my speech and later issued a press release, is precisely that. In Saskatchewan, the people have the option of whether they want to move into large cities like Regina or Saskatoon, or enjoy a high quality of life in the villages and towns. We believe that's a good option for the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. SWAN: — Supplementary to the minister. Are you not aware that in Alberta they have more people living in the rural areas than we have in total. So, they must be doing some things right.

SOME HON. MEMBERS: Hear, hear!

HON. MR. SMISHEK: — Well, Mr. Speaker, it depends what the hon. member considers rural? Does he consider Lethbridge as a rural community? Does he consider Medicine Hat as a rural community? Does he consider the size of these cities as rural

communities? I was making the comparison between Edmonton and Calgary, and the fact is that in Saskatchewan more people live in rural communities and smaller towns and villages and on the farms. And, we believe that . . .

MR. SPEAKER: — Order, order. You seem to be drawing a lot of debate on that one; I'll take a new question.

Electrical Inspections

MRS. DUNCAN: — My question is to the Minister of Consumer Affairs. The government is presently charging fees for electrical inspections, yet no inspections are being done. I have copies here of the inspection sheets, and they're clearly stamped, "No inspection to be made." Mr. Minister, if a consumer pays for a specific service, is it not reasonable to assume that this service should be provided? And, further, do you not agree that the safety of the consumer of Saskatchewan is being placed in jeopardy by not having these inspections done as they were paid for?

HON. MR. KOSKIE: — Well, the actual electrical inspections are not, in fact, done by the Department of Consumer Affairs.

MRS. DUNCAN: — I realize that.

HON. MR. KOSKIE: — Right. They're done by the Department of Labour. In so far as whether the consumer is entitled to receive that service, certainly we would support that proposition and any complaints coming to us, of course, we will, in fact, look into on behalf of consumers.

MRS. DUNCAN: — You are saying in effect that if the consumer pays for an inspection, it should be done, whether it is done by the Department of Labour or whoever, is that what you are saying?

HON. MR. KOSKIE: — I am saying that if a consumer purchases a service, then he should be entitled to that particular service. Accordingly, the individual has the right to the enforcement of the contract for fulfillment of that contract. The Department of Consumer Affairs certainly would look into any particular irregularity in the contract and whether or not the consumer did get that service which he contracted for.

MRS. DUNCAN: — As Minister of Consumer Affairs, and given the increase in the electrical fires in Saskatchewan in the last few years, will you table any correspondence you have with the Department of Labour as to whether or not you are willing to rectify this situation so those inspections that the consumers are paying for are actually done?

HON. MR. KOSKIE: — I will discuss the matter with the Department of Labour. I am confident that the Department of Labour will follow up on any problems which are raised with respect to the fulfilling of that contract. Certainly, I will discuss that matter with them.

MR. KATZMAN: — A question to the Minister of Consumer Affairs. The Department of Labour issues a certificate, charges X amount of dollars for a service inspection, and then they mark right across the receipt that they are not going to bother to inspect it. Now what kind of practice is that? It is your job to protect the rights of the citizens. Why are you not doing something about it?

HON. MR. KOSKIE: — As soon as the consumer comes to the Department of Consumer Affairs and brings to our attention a particular problem, then, of course, we respond on his behalf. Certainly, the electrical inspection which you are referring to, if it is done through the Department of Labour, should be brought to their attention. Accordingly we will do that.

STATEMENT BY MR. SPEAKER

Ruling re Point of Privilege

MR. SPEAKER: — Before orders of the day yesterday, the hon. member for Thunder Creek raised a point of privilege to the effect that a reply to an oral question was inaccurate. I deferred my ruling at that time. I refer all hon. members to Beauchesne's *Parliamentary Rules and Forms* (Fifth Edition), page 12, paragraph 19(1) which states:

A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

And further, from page 114 paragraph 322:

It has been formally ruled by Speakers that a statement by a Member respecting himself and particularly within his own knowledge must be accepted, but it is not unparliamentary temperately to criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible.

In short, a debate in the Assembly over the question of whether something is a fact or not cannot be ascertained by Mr. Speaker, and does not constitute a question of privilege. I rule that the point raised is not a *prima facie* point of privilege.

MOTIONS

Resolution No. 9 — Canadianization of Oil Industry

MR. DYCK: — As I rise to move this motion, I think all members are aware that we are in the midst of one of the most difficult periods in our history in the area of energy, energy supply, and energy pricing.

The national energy program has thrown the entire Canadian oil industry into an upheaval. When we, on this side of the Assembly, talk about government involvement or participation in the oil industry, it is not the national energy program or anything like it that we are advocating. While I am on this subject, Mr. Speaker, of the national energy program, I want to make the point that a number of the new taxes announced under the program are obvious invasions of provincial tax room. The new 8 per cent petroleum and gasoline revenue tax has by itself been responsible for over \$200 million worth of oil exploration equipment leaving western Canada for the United States.

Mr. Speaker, government involvement in the oil industry must be better designed than is the case with the national energy program. One example of a very well designed, public participation company is certainly SaskOil. The Saskatchewan Oil and Gas Corporation was established in 1973. The corporation's mandate was to participate in the identification, evaluation and development of provincial oil and gas reserves in order to optimize the use of these resources. SaskOil's aim was to attain a significant

presence in the petroleum industry, while earning a reasonable return on the shareholder's investment.

In the few short years since its incorporation, SaskOil has established an increasingly significant place for itself in the industry. By the beginning of 1980, SaskOil was the third largest owner of oil produced in this province. Even as early as the year 1978, the Crown corporation had drilled the second highest number of total wells, and the largest number of exploratory wildcat wells in this province.

In 1979, SaskOil made a major move into the field of heavy oil. The stated intentions were to undertake a concentrated effort to prove the viability of heavy oil, which makes up a sizable proportion of the province's petroleum reserves. SaskOil intends to establish itself as a leader in heavy oil research and development, a move which will certainly pay long-term benefits — both financial benefits and the benefits of security of supply for the people of this province.

SaskOil drilled close to 200 wells in 1979, and of that number well over half were developed. In fact, the Crown corporation has a 78 per cent drilling success ratio, a very respectable record in the oil business. By the beginning of 1980, SaskOil was producing over 11,000 barrels of oil per day, had 121 employees, and had net earnings of close to \$4 million per annum.

SaskOil has been a roaring success, Mr. Speaker. It fits in well with the Blakeney government's management of the resources sector of the economy of the province of Saskatchewan.

The kind of careful planning which brought about SaskOil has also been at work in other sectors of the resources in this province. As the budget speech points out, revenues flowing into the heritage fund will increase by 56 per cent this year to just over \$1 billion. The fact that all revenues will account for more than \$600 million is largely a result of our government's fight to have revenue generated by the export of oil returned to the people of Saskatchewan. And the heritage fund will pay a dividend to the consolidated fund in 1981-82 of \$550 million. That money will go to build schools and hospitals, to increase nursing subsidies, to student bursaries, to keep local property taxes down, for medical research, and a long list of other worth-while social programs.

Mr. Speaker, when the members of the Conservative Party talk about our Crown corporation, SaskOil, and when they say it has not been a good investment, or when they talk about the heritage fund not affecting the lives of people who could use help, like taxpayers, students, or senior citizens, I am sure they must be thinking of some other Conservative province, like Alberta.

Mr. Speaker, this resolution has also called for greater Canadianization of the oil industry, and for that shift in ownership to move ahead as quickly as is reasonably possible. There were a number of initiatives announced by Ottawa in the national energy program that hopefully will increase Canadian ownership of oil and gas production to at least 50 per cent of the industry by 1990, and in particular will increase the federal government's share of the energy sector of the Canadian economy.

While we on this side of the Assembly whole-heartedly endorse the general policy, Mr. Speaker, we certainly have some substantial reservations about how it is going to be

implemented.

First, 1990 was 10 years away when the national energy program was announced. And 10 years is the period of time chosen by many oil industry experts when they talk about our conventional energy sources running out. The Trudeau government's Canadianization plan can hardly be thought of as any bold new policy objective, if the policy is only to take control of something that is gone or is very nearly gone.

So, Mr. Speaker, we think that the timetable for Canadianization is needlessly drawn out. The federal government could quite easily assume the ownership of several of the large foreign-owned oil companies in a much shorter period than 10 years. We in Saskatchewan did it. We did it with the potash industry, which at the time was much less profitable than the oil industry is now, and we did it with a fraction of the financial resources available to the government in Ottawa. And, Mr. Speaker, the purchase by the Government of Saskatchewan of the private, foreign controlled potash mines was done smoothly, quickly, and at the best possible price for the people of Saskatchewan.

On the other hand, the purchase of Petrofina was very badly managed by the federal government. As it became obvious that Petrofina would be taken over, the stock price jumped rapidly, and instead of being deterred by this, Ottawa seemed even more determined to obtain ownership of Petrofina. The result was that Petro-Canada wound up paying much more than even the market price for that particular oil company. I lay the blame for that at the feet of the Trudeau cabinet, not with Petro-Canada, nor the concept of public ownership.

Mr. Speaker, there were a number of special exploration and development incentives for Canadian companies announced in that program, as part of the Canadianization section of the NEP (national energy program). To be fair, I think we must wait and see whether these concessions are what are required to accomplish the two major objectives of the national energy program, those being greater energy security and greater Canadianization in that industry.

In general, the oil industry was doing quite nicely prior to the introduction of the petroleum and gas revenue tax, and certainly did not need any further tax concessions from government. The best thing Ottawa could do for the oil industry — Canadian-owned or otherwise — right now, is to abolish the 8 per cent petroleum and gas revenue tax.

Another bad aspect of Ottawa's Canadianization plan is the so-called Canadian ownership account. In order to finance the increased public ownership in the energy sector, the Trudeau government chose to establish a Canadian ownership account, which is to be kept liquid by a special tax on all oil and gas consumption. Mr. Speaker, I believe that yet another tax on energy consumers at this time is unnecessary, and it breaks the promises made by the Liberal Party to Canadians in the 1980 election campaign. If Ottawa were to follow our lead in Saskatchewan when we took over the potash industry, this additional tax on consumers would not be necessary.

Mr. Speaker, as you know, it is all very well to talk about how much we earn from our resources and how we allocate that money, but regarding our petroleum energy resources, we must be at least as concerned about their depletion, because they are running out very fast. As our conventional reserves of energy run out, the price per gallon at the pumps can only escalate. As the price to consumers goes up, it becomes

more and more obvious that we must become more efficient in the use of the energy that we have.

We have been far too unconcerned about conservation over the years, and there is no better example of that than the cars we drive today, all across Canada and the United States. Between 1954 and today, there have been more V-8 motors produced for automobiles in North America than all other types of car and truck engines combined. For years, the big three auto makers in North America each turned out a fleet of cars that averaged around 20 miles per gallon in combined highway and city driving. They were mainly interested in selling full-sized cars with big engines; the profit margins were higher on those cars. Besides, if GM or Ford began advertising the advantages of their smaller cars, it was generally accepted that this would help the sale of imported cars as well. So the North American car industry hung on to these large, fortress-like machines that guzzled gas at twice or three times the rate of most Japanese cars, for example.

And then the energy crisis came along, and within a year, foreign-built small cars began to sell at an accelerated rate. The Japanese imports had just over 9 per cent of the North American automobile market in 1976, but in the first six months of 1980, Japanese cars accounted for 22 per cent of all new car sales in North America, and the small, fuel-efficient European cars have had similar success. Today 27 per cent of the cars sold in the U.S.A. and Canada are imports.

That, combined with the economic recession, has plunged the automobile industry into deep financial trouble. Chrysler lost \$1.71 billion in 1980, the biggest loss in U.S. business history and GM and Ford also suffered their biggest losses ever in 1980. Close to 3,000 blue-collar and white-collar auto workers are out of work in Canada and the United States. And as of mid-September, *Time* magazine reported that 1,469 car dealers, both large and small, have boarded up their doors in the last year. *Time* magazine goes on to say that declining auto sales have cost an additional 650,000 jobs in related industries and supply business firms.

Mr. Speaker, poor planning in the automobile industry and an almost complete reluctance by the United States and Canadian governments to regulate such things as fuel efficiency requirements have caused these massive dislocations in the automobile industry.

The car manufacturers have been, and continue to be, some of the worst wasters of energy we have had. Not only are their cars and engines inefficient, but the endless proliferation of models is wasteful as well.

It is no longer enough to say that you are driving a Pontiac; you must now identify it as an Acadian, or an Acadian S, or a Sunbird, or a Sunbird Sports Coupe, or a Firebird, or an Esprit, or a Phoenix, or a Phoenix LJ, or a LeMans, or a Grand LeMans, or a Grand Prix, or a Grand Prix LJ, or a Grand Prix Brougham, or a Laurentian, or a Catalina, or a Parisienne, or a Safari, or a LeMans Safari, and the list goes on.

Well, Mr. Speaker, I will stop here. There is almost an endless list of sport packages and rally options and coupes and hatchbacks and engine variations, but my point, Mr. Speaker, I think is well made.

MR. ANDREW: — The motion that we are dealing with commends the positive role of SaskOil and Petro-Can in Canadianization of the oil industry; what does the car and the

automobile industry have to do with that question?

MR. SPEAKER: — Well, I don't necessarily want to get into this debate but I think it's rather evident that SaskOil and Petro-Can and public or private ownership or Canadianization of the oil industry has something to do with one of the products that cars use, and I gather that is the connection. The member is relating that to the fact that we are not conserving our resources. And if, in fact, the member is not relating that to the oil industry and Petro-Can and SaskOil, then he would be out of order. I assume the member is relating it to that. Maybe the member could assure me that he is.

MR. DYCK: — Mr. Speaker, I may have strayed slightly from the topic; however, it's something I've wanted to get off my chest for many years. I have wanted to speak on the automobile industry and I think I'll try my best to stay on the topic and the subject of this particular resolution.

To be fair, you can make similar arguments for Chevrolet and Buick and Oldsmobile and all other automobile manufacturers, not just General Motors.

Mr. Speaker, I think the North American car industry has been very unresponsive in the design and construction of its products. They have been incredibly inefficient in their fuel consumption and as a result Canadian consumers have been forced to spend millions of dollars on fuel needlessly. I would like to see the federal government tackle this issue at once, as a means of saving energy supplies and protecting the best interests of the consumers.

In closing, Mr. Speaker, I want to reiterate and emphasize that SaskOil has been doing an excellent job. I support the principle of Canadianization of the oil industry. Of course, I support, even more, the acceleration of that particular policy. Time will tell how Mr. Trudeau will act on this particular policy. Therefore, Mr. Speaker, I would like to move, seconded by the member for Yorkton:

That this Assembly commend the positive role SaskOil has played in expanding Canadian and public ownership of our nation's energy reserves, and urge the federal government to strengthen its commitment to Petro-Canada and hasten the Canadianization of the oil industry.

SOME HON. MEMBERS: Hear, hear!

ROYAL ASSENT TO BILLS

At 2:57 p.m. His Honour the Lieutenant-Governor entered the Chamber, took his seat upon the throne and gave royal assent to the following Bills:

Bill No. 11 — An Act to amend The Lloydminster Municipal Amalgamation Act, 1930

Bill No. 28 — An Act to amend The Department of Consumer Affairs Act

Bill No. 30 — An Act to amend The Vehicles Act (No. 2)

Bill No. 31 — An Act to amend The Saskatchewan Insurance Act

Bill No. 37 — An Act to amend The Non-profit Corporations Act

Bill No. 43 — An Act to amend The Department of Tourism and Renewable Resources Act

Bill No. 44 — An Act to amend The Consumer Products Warranties Act

Bill No. 3 — An Act to amend The Trustee Act

Bill No. 23 — An Act to amend The Surrogate Court Act

Bill No. 25 — An Act to amend The Heritage Fund (Saskatchewan) Act

Bill No. 33 — An Act to amend The Water Power Act

Bill No. 35 — An Act to amend The Small Claims Enforcement Act

Bill No. 36 — An Act to amend The Land Titles Act

Bill No. 38 — An Act to amend The Credit Union Act

Bill No. 46 — An Act to amend The Highways Act

Bill No. 49 — An Act respecting the Consequential Amendments resulting from the change in the name of the Department of Consumer Affairs to the Department of Consumer and Commercial Affairs

An Act for granting to Her Majesty certain sums of money for the public service for the fiscal year ending March 31, 1982

His Honour retired from the Chamber at 3:01 p.m.

MOTIONS

Resolution No. 9 (continued)

MR. ANDREW: — I wish to make a couple of brief comments, Mr. Speaker. The member for Saskatoon Mayfair in his speech on the budget used most of his time on that speech to talk about the problems of western capitalism, that western capitalism was dead, that free enterprise was dead, that the only way was through the great socialist system of Saskatchewan and socialism itself.

MR. SPEAKER: — Order! I think the member for Kindersley will recognize that the budget debate is closed and we cannot refer to the budget debate. It's a debate that was closed in the previous session and cannot be referred to.

MR. ANDREW: — Thank you, Mr. Speaker. I was simply trying to make reference to the fact that when the member for Saskatoon Mayfair was dealing with the question of Canadianization (which is the basis of his motion before the Assembly today) that he is really talking about the question of nationalization. He was saying that the Government of Canada is moving far too slowly under the national energy program; it should be buying Imperial Oil, Shell Oil, and Gulf Oil within a short period of time.

That is exactly what he is proposing to do on the one hand and yet on the other hand he wants to keep the price of oil down, and he wants to address the question of oil self-

sufficiency. Now, I would like him to explain how we are going to do that in Canada. What Trudeau wants is to keep the price down and that is what he is doing. As a result of keeping that price down, the rigs and the oil industry are leaving Saskatchewan and Alberta because there are not enough dollars there to make any return on their investment.

Now, the member for Saskatoon Mayfair would have us say that any increase in the price of gasoline should be used, I assume, to fund the takeover of Imperial Oil, Gulf Oil, and Shell Oil. I'm sure he is not suggesting that they should simply be confiscated. Even he is not quite that radical. So, for example, with Imperial Oil, the cost is \$8 billion. Now, what would that do to the price of gasoline to the consumer, assuming that the federal government, with the debt that it has now — \$18 billion or \$20 billion — won't add another \$8 billion for Imperial Oil, or another \$6 billion for Shell Oil, and another \$6 billion for Gulf Oil? Is that what the member is saying, to double the federal debt? There are only two options. They can either double the federal debt or they can pass that on to consumers.

It seems to me that it would be absolute nonsense to double the federal debt, given the great problem we have today with inflation. Given the dollars that it takes to service that debt, it would be absolutely ludicrous, from any economic standard, to double the federal deficit. So it would logically follow that the member's suggestion to buy the already existing companies of Gulf, Shell, and Imperial Oil would probably cost the consumer of Saskatchewan, as their share, \$1 more per gallon for gasoline — over \$1 per gallon increase.

And that is the problem we face with the Petrofina takeover. It seems to me that if you are going to keep the price of oil and gasoline down for the consumer, then those finite dollars that you have left had better be spent in the best way. And I suggest that the best way of spending that money is to put it into the companies to explore and find more oil, because that's the problem we face right now. There's not enough oil — the question of oil self-sufficiency — and it's getting worse every day. So that's where you have to move.

The member opposite, with his great socialist plan (and that's really what it is), would simply have us take over the existing oil companies which would not produce one more barrel of oil, would not address the question of oil self-sufficiency. It would cost the people of Saskatchewan millions of dollars; it would cost the people of Canada literally billions of dollars. It makes absolutely no sense whatsoever.

So the member, when he talks about Canadianization, makes no mention of the fact that Dome, Canadian Hunter, Nova, and those companies are also being driven to the wall. But he doesn't want that type of a company to grow, to develop and to prosper in this country, because there is no place in his view of this country for the free enterprise system. I wonder if the Premier and the Deputy Premier also follow that view to take over the industry. That's obviously the view of the national New Democratic Party, and perhaps it is the view of the members opposite. I don't know whether you agree with your brothers in Ottawa on this one or not. Maybe you do, maybe you don't.

The other point that the member would have us believe is that somehow, because SaskOil got in the oil industry, somehow because of that, we have a nice heritage fund, and we can use that heritage fund to build schools, hospitals, and everything else. I'd like the member to explain to this Assembly how much SaskOil has contributed to building a hospital in the member for Moosomin's seat, or building a school, or

building anything else in this province. They have done nothing. Obviously what the member for Saskatoon Mayfair is trying to do is to try to con the people again into thinking because of the Crown corporation, SaskOil, we have increased dollars, we have lower this and higher this and lower this. It makes no sense at all.

I say that the question of Canadianization is an important question, but do not confuse Canadianization with nationalization. The people in this party and on this side of the House agree with Canadianization. It has to be done in a logical way. In fact, it has been happening over the last five years. But we do not suggest that the whole solution (and that's what the member suggested) to the energy question in Canada can be handled by nationalization. That is exactly what he wants to do. It makes no sense economically. It would make of the statement of the Premier of Alberta that the national energy program is stupid. It would make everybody suggest that it was stupid.

The other question that he would like to make is the fact of shareholder investment. Nowhere is the shareholder investment in SaskOil. It's a government investment. So don't play around with the English language by using shareholder investments and dividends, and that type of thing that's often referred in the capitalist world that he does not like. But he likes it as long as he can use it to con the people in the province to think that somehow they are the shareholders, that they have made the investment, that they are getting a dividend back. It's a play on words. It's a nasty play on words. I simply want to get on with this debate. Mr. Deputy Speaker, I would beg leave to adjourn debate.

Debate adjourned

Resolution No. 15 — Crow Rate Preservation

MR. MINER: — Mr. Speaker, it is a pleasure for me to rise this afternoon and address a motion commending the Government of Saskatchewan for its firm support of the Crow Rates which were established some considerable time ago. I believe that it is fitting that I, as a representative of a constituency which, while it is largely urban, is very dependent upon the agricultural territories surrounding it, should be addressing this issue. And I believe as well that it is fitting that my colleague for Redberry, the immediately adjacent constituency, upon which my constituency is so dependent for the agricultural business that keeps it commercially viable, should be seconding that motion because the issue is one which embraces all of the Saskatchewan population. It is extremely important, not only to the rural areas of Saskatchewan, but to the urban areas as well.

I believe, as well, that it would be fitting to look at what the Crow's Nest Pass agreement really did and what it said, not in specific terms (that would take the balance of the afternoon), but in terms of the kinds of agreements which were intended, as can be determined by the comments which were made by people of that day who were faced with the decisions respecting, first of all, the introduction, and subsequently, any changes to the Crow's Nest Pass agreement.

In the first instance we were dealing with a company that we are still dealing with, the Canadian Pacific Railway. Their first agreement with the federal government was to receive 25 million acres of land plus \$25 million to construct a main line from eastern Canada to western Canada. They received assistance because they were not able, from their own financial depth, to afford to build the railroad by themselves, and because it was considered by the government at that time, and by those who had to make the decision, that it was in the interests of all of Canada. Indeed, John A. Macdonald

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believed that it would be impossible to have a united Canada without a national transportation network, of which the railroad must be central.

The agreement called for providing special rates for settlers' effects. And, incidentally, this is the Crow's Nest Pass agreement; it's not the agreement of 1881 in which the railroads originally received the 25 million acres. It is the Crow's Nest Pass agreement itself and it provided for \$11,000 a mile of assistance to build the railroad from Lethbridge, Alberta, through the Crow's Nest Pass at Nelson, B.C. In return for that \$11,000 the railroad was to provide special rates on settlers' goods being shipped from central Canada to the West, and on products being shipped from the West to Thunder Bay.

The agreement specifically stated the rates at which grain, flour and settlers' effects were to be hauled, and the Canadian Pacific Railroad agreed to that Crow's Nest rate or Crow Rate (to shorten it) into perpetuity. That is for all time; whether they like it or whether they don't like it, the agreement was to be there for all time.

A number of things have taken place since that fateful day in 1897 when the Crow's Nest Pass agreement was first introduced into the House of Commons in Ottawa and, subsequently, passed.

One of the things which has happened is that the Crow's Nest rate has been questioned by the railroad. It was questioned by the railroad in the early 1900s, and they took the Canadian government to court. At that time the Supreme Court of Canada ruled that the Crow's Nest rates were not overruled by the Railway Act and, indeed, they must remain in effect. However, some confusion arose. The Crow's Nest rates applied to grain which was hauled to the East from western Canada, and did not cover grain which went to the West. But in 1925, they decided that they must review that Act, which they did, and they reinstated it expanding it to cover all railroads and to cover a certain list of agricultural commodities going both east and west. And they suspended any further assistance for products which were going from the east to the west.

I think we should look at some of the words of the individuals who were dealing with those decisions, and find out what they said.

In 1897, Mr. A.G. Blair, who was the minister of railways and canals for the Laurier government, suggested the following reasons. He said:

Without any single attempt to secure any concession in the industry of trade in the interest of the people of western Canada, in the interest of those who have been complaining of the incubus of the operation of the great railroad upon this country, that the railroad was to provide the western producers with a concession rate of hauling in compensation for the subsidies that were paid them by the federal government.

He went on to say that:

The committee (that was the committee studying the Bill) will have noted that we have sought to ensure the country a large measure of relief from the rates which have been obtained since the Canadian Pacific Railway was started.

They recognized the Canadian Pacific Railway back in 1897 as being a monopoly. Therefore, the public would need some protection from them.

The minister of trade and commerce, Sir Richard Cartwright, summed up the debate quite concisely when he said:

The difference between the proposals is practically that we give (if you choose to call it) some \$5,000 or \$6,000 per mile to the Canadian Pacific Railway for constructing this line, and we are paying them a further sum of \$5,000 or \$6,000 in return for valuable privilege to the whole Northwest and eastern Canada, as well.

They recognized beyond doubt, at that time, that the introduction of this Bill would provide benefits to eastern Canada, as well as to western Canada. Now remembering, of course, that the Canadian Pacific Railway agreed to that particular agreement knowing full well it was to be a rate into perpetuity should, I believe, establish, without any doubt, that the Canadian Pacific Railway and the federal government (being responsible for having established this agreement and the payment or the compensation that the railroads were to be paid) were compensated not only in the form of cash, but in the form of mineral rights which they received, particularly in the Kootenays. They have received a great deal of benefit from the wealth of the mineral rights that they received, and they have done it through the company called Cominco. It is interesting that in 1979 Cominco paid the Canadian Pacific Railway \$90 million. Cominco had a profit in that same year of some \$300 million. The result is that there isn't any shadow of a doubt the Canadian Pacific Railway continued to receive the benefits which our predecessors in the House of Commons believed they should receive in compensation. They received it through the generation of wealth or the assets which they were paid for this agreement into perpetuity.

Now, it is also, I believe, interesting to note that there have been three significant studies or royal commissions made by the federal government into the Crow Rate to determine whether or not that rate should continue. They were the Turgeon commission in 1951, the MacPherson commission in 1961, and most recently, the Hall commission in 1977. Each of those commissions concluded, Mr. Deputy Speaker, that the rate should be continued, because it was essential for both prairie agriculture and the overall interest of Canada.

It is also interesting to note that the rates were introduced largely, in the first instance, to provide the East with an opportunity to market to the West, and the West with an opportunity to take the produce primarily to the waterways. Mr. Graham, who was the minister of transport and railroads in the Mackenzie King government, in a debate in 1925 stated that the Crow's Nest Pass agreement was made to give relief to those portions of Canada where there was no water competition. They indicated during that debate, Mr. Speaker, that the reason we had to be very certain that we had national transportation, capable of delivering our produce to the waterways of the world, was so that we could fairly compete with other countries and so that we could regardless of where we were located in Canada, have access equitably with all others to the markets that were available to producers throughout the world.

Now, Mr. Speaker, I think the next thing that we should do after looking at the history of the Crow's Nest rate is to look at the number of examinations that have been engaged in by the variety of people who are involved, and that is not to say that the prairie region

has not had its fair share of study. We were very involved in the Hall commission study, both as a provincial government and as farm organizations in Saskatchewan, trying to read the mood and the need of the public. All of those studies have concluded that we can ill afford, at this time, to give up the Crow Rate.

Let me give you some examples of what I believe might happen, or the results we could expect if we were to give up the Crow Rate in the prairie region. By comparison, for instance, the rate from Blaine Lake, Saskatchewan (which is not very far from my constituency) at the present time is 24 cents per hundredweight. By comparison, in Dickinson, North Dakota, it is \$2.15 per hundredweight. That means that we would have \$1.91 per hundredweight additional cost for every bushel of grain we sell. It does not take very long to multiply that times the number of bushels that an average farm in Saskatchewan would produce, and find out that the costs would be horrendous.

They are costs that would not only be horrendous to the individual farmer, but to the whole community. If you take that amount of money and directly transplant it out of the prairie region through additional freight costs and put it into the pockets of the Canadian Pacific and the Canadian National railroads, you will find that the commerce that takes place as a result of the productive activity of every farm in the prairie region of Saskatchewan will be reduced by a very significant amount. Probably \$5,000 or \$6,000 as an average per farm, and I think we can ill afford to have that happen, Mr. Speaker, as a province as well as an industry.

We know full well that dropping the Crow Rate is going to cost the prairie farmers a lot of money; it's going to cost the province of Saskatchewan a lot of money; and it's going to reduce the opportunities for our businessmen throughout Saskatchewan. It is established that the predecessors in the House of Commons in Ottawa, who introduced these measures in the first instance, intended them as part of a national transportation policy and recognized that it was in the interest and benefit of all of Canada to have this kind of a freight structure. We recognize that the Canadian Pacific Railway (and leaving out of it, for the moment at least, any consideration of the Canadian National), has already been paid quite handsomely for the job of transporting the grain from the prairie region to the waterways, whether they are to the east or to the west. Let's look at the position that the governments and the different farm organizations are taking.

Try to discern just who is saying that we should change the Crow Rate. We know it's not the province of Saskatchewan, and that's precisely what this resolution is all about. It commends the province of Saskatchewan for such a strong position. Is it the federal government? Well, that's a little bit difficult to say for sure. If you listen to Mr. Pepin, he says that definitely there's going to be a change in the Crow Rate. We'll talk about something called crow benefit. Now, what is that? We don't know what it is. Nobody really has any idea what it is. It's either a payment to the railroads or it's a payment to the farmers. It's an undetermined amount; nobody knows how many dollars. Nobody knows how it's going to be done.

Along with Mr. Pepin are a few (I would call them rather irresponsible in that they're not thinking sincerely about prairie farmers) so-called representatives of farm organizations who say they would go along with a crow benefit. I don't know why in the world they would give any consideration to it at all. I don't know, either, why the members opposite would give any consideration to a crow benefit.

Mr. Pepin talks in big terms about the possibility of a crow benefit which will, in his view, give the value of the crow statutory rates. I don't know whether it's in perpetuity,

whether it's for five years, whether it's for two years, or whether it's ever going to happen at all. But Mr. Pepin has been talking. He has been in Saskatchewan suggesting that the decision is going to be made very quickly to change the crow. He was here last fall at the Saskatchewan Wheat Pool meeting. That was his message, essentially.

Mr. Whelan was in Vancouver just a short while afterward, on a hotline. He said that we can expect movement very quickly. In the meantime, Senator Argue, who is in charge of the Canadian Wheat Board, has been charging around the province of Saskatchewan saying. "No, no, no. We're not going to change the crow at all. I believe the crow should stay."

I don't know who you believe — whether you believe Mr. Pepin, whether you believe Mr. Whelan, whether you believe Mr. Argue, or whether you believe Mr. Trudeau, who said . . . (inaudible interjection) . . . I think we can believe Mr. MacMurchy. There's no problem with that at all. That's an excellent suggestion. It's the best one you've made all day.

Let's look at what Mr. Trudeau said. On February 13, in the *Star-Phoenix*, there's a report which says:

Mr. Trudeau gave the signal on February 12, with respect to the Crow's Nest Pass freight rates, when he uttered a terse "no" to the proposition that the Western Agricultural Conference might be construed as representing a large majority of prairie producers who were ready to accept change.

Well, I don't believe that's a true statement at all. The Western Agricultural Conference may have thought that they were ready to accept change largely as a result of pressure from Conservative Alberta and from Conservative Manitoba. Certainly in Saskatchewan that is not true. I think Mr. Pepin has recognized that. although he didn't want to believe it. Mr. Trudeau has clearly recognized it when he says that there is no way we're going to change it, and anyone who will change it does so at his own peril. He then goes on to say (and this is where I think we should object strenuously) that he believes that we should have a united voice from the western premiers and from the western ministers of agriculture. In other words, he's following the same old path which, they've always followed and that is transferring the responsibility which is clearly theirs onto somebody else whose responsibility it is not.

This article goes on to say, rather interestingly:

One Liberal said that the political sensitivities over the issue are such that even the Progressive Conservatives, who seemed set for a fast change during their short term, would turn against us in a hurry if we tried anything.

That's an interesting observation. I don't know whether it represents the point of view of the Conservative Party in Ottawa or not. As a matter of fact, I don't know what the Conservative Party's position in Ottawa is. I don't even know what the Conservative Party's position here is. Surely to goodness, they are not opposed to retention of the crow. However, they will have an opportunity to show that, one way or another.

Mr. Speaker, I think that we need to go on to examine what the province of Saskatchewan has said, what our position is. It has been constant. We have always maintained that we should continue the statutory Crow Rate.

AN HON. MEMBER: — So has everybody else.

MR. MINER: — I'm glad to hear that. I'm not so sure that your leader knows that.

We have said that there should be no establishment of a variable freight rate for grain movement. We have said that the railways should receive a reasonable compensation for their grain transportation. That, of course, is a question of how they receive it, and whether or not they're receiving it right now.

The federal government should pay the difference between the compensatory rate and the Crow Rate directly to the railroad. That, after all, is their responsibility. It is their agreement. They should, therefore, be responsible for paying for it. The railways, in return for this compensatory rate, will be required to guarantee performance levels. Now, that's what the Saskatchewan government's position is, and it hasn't changed.

The SARM (Saskatchewan Association of Rural Municipalities) recently reaffirmed that they too stand solidly behind retention of the Crow Rate. At their 76th annual convention in Saskatoon, the SARM passed the following two resolutions: (1) that we oppose any change in the Crow's Nest rates, and that they remain non-negotiable; (2) that the SARM undertake a vigorous campaign to back the position of our provincial government's stand on the retention of the Crow's Nest rates. The second resolution, incidentally, also called for the SARM executive to prepare a submission for the federal Department of Agriculture to express its views and feelings on retention of the Crow's Nest rates.

Now, let's look at a few of the other positions. We've already said that the Saskatchewan government believes the railways should get compensatory rates. As I have already said, it is to be determined what they are. There are all kinds of discussions. I think you could probably influence them — depending upon the kind of agreement the federal government was to have. It would depend on whether or not they were going to remain constant, and who was going to share in each individual cost into the future, as to what levels they would be established at.

Virtually everyone in the picture agrees that the rates should remain statutory. Now, who thinks that the federal government should pay the difference? The Saskatchewan Government? The Saskatchewan Federation of Agriculture? The Manitoba Farm Bureau? Unifarm? Western Agriculture Conference? But not the governments of Alberta and Manitoba? Nobody really knows. Manitoba says no. Alberta says: "Well, maybe; we don't know." They aren't being clear. Who says that the farmers should pay the difference? Well, the Government of Manitoba thinks the farmer should pay the difference. And so does the Government of Alberta — as closely as you can discern. It's still questionable.

I think that's rather interesting. I'm sure it puts you fellows on the opposite side of this House in a rather difficult position — because you have to go against established positions of your own party's governmental representation in western Canada. But, I would encourage you to do just exactly that. I would encourage you to ignore them because I think they are wrong.

The Saskatchewan Government says, as well, that any inflation to these costs should not be paid by the farmer. But the Manitoba Government says they should. The federal government, we believe, should share the cost increase with the railroads and not with the farmer. But that's not what the Manitoba Farm Bureau says. They think the federal

government and the farmer should share in the cost increases.

We think the negotiations which should take place about any future increases should take place between the federal government and the railroads because that is their responsibility. But that's not what the Government of Alberta says . . . (inaudible interjection) . . .

Well, I wasn't here last year, and I don't know whether he did or not. But I have every confidence that when he did he gave a good one.

Mr. Speaker, I think that we can look to the ordinary public of Saskatchewan to find out what they think about this subject and what their understanding of it is.

There is an interesting letter which appeared in the *Saskatoon Star-Phoenix*. It is a letter in response to one written by a Dr. Dennis Jones. It's written by a chap by the name of W.S. Langley, and, he happens to come from Speers. Now, that is an interesting name because he is the grandson of the Hon. George Langley, who was the first minister of municipal affairs for the Liberal Government of Saskatchewan. He says that he thinks Dr. Jones doesn't know the first blessed thing about the background of the Crow's Nest Pass rates.

He says, and I'm quoting from the letter here:

When the land grants were made, including mineral rights, which the CPR still retains, no one had any idea of the rich oil deposits lying underneath the prairie soil. So the great oil boom which hit the West in the late 1940s was a real unexpected bonanza to the company. As the CPR now wants to renegotiate the crowrates because operating costs have risen so much, maybe we should also renegotiate the mineral rights. There is a great deal more mineral wealth under the CPR lands than anyone expected there was when the grants were made.

He is suggesting (and I think he is making a good suggestion) that if the Canadian Pacific Railway is not satisfied with the total revenues it is receiving from all of the wealth it received for hauling the grain into perpetuity, I remind you, from western Canada to the water, whether it be east or west, then it should also be prepared to renegotiate that great wealth which it received that no one was sure would be there.

It is saying that the costs have changed and the circumstances have changed. Well, they have indeed; they have changed both ways. I suggest it is getting paid well. I would suggest that if anyone should be crying, it is the Canadian National Railway; indeed it made a profit. I don't hear an awful lot from it, not nearly as much as from Canadian Pacific Railway.

Mr. Speaker, I think there isn't any shadow of a doubt that the Government of Canada intended, when it introduced the Crow's Nest Pass rates in 1897, that the wealth which it negotiated at that time should, into perpetuity, pay for the transportation of all grain from western Canada, from the prairie region (what is now known as the prairie region, it wasn't at that time) to the west and to the east coast. at least to the Lakehead. It fully intended at that time that it should be a part of a national transportation policy; it fully intended at that time that the Canadian Pacific Railway (they expanded it in 1967, to include all railroads, and in 1925 to include the Canadian National Railway), should

share in that agreement. I would suggest they should also share in the revenues.

It is not a responsibility for the farm movement of western Canada to negotiate. It is not the responsibility of the western governments of the three prairie provinces to negotiate. It is clearly the responsibility of the federal government. I would suggest that anyone in Saskatchewan who says anything to the federal government, except, "Those agreements are your responsibility, you must live up to them and we are solidly behind retention of the crow as a statutory rate," is wrong!

It is, therefore, Mr. Speaker, with a great deal of pleasure that I introduce the following motion, seconded by my hon. colleague the member for Redberry, as follows:

That this Assembly commend the Saskatchewan government for its firm commitment to the statutory Crow Rate and its untiring efforts to ensure the continuation of crow for the Saskatchewan farmers.

MR. BANDA: — Thank you, Mr. Speaker. It is a pleasure to join with my colleague, the member for The Battlefords, in seconding this motion this afternoon. I agree with the member for The Battlefords when he says that it's an important subject for not only rural but urban members of Saskatchewan. I believe that as opposition to this particular area increases it's more important that the members of rural Saskatchewan and urban Saskatchewan understand the effects of what would happen if we did away with this Crow Rate.

Mr. Speaker, there's continual pressure to abolish the Crow Rate. It's mounting from the railroads, the Conservative provincial governments, and the private grain trade. The railways want more money, and they want to be able to manipulate freight rates to force farmers to haul longer distances to main line points. Now, Mr. Speaker, if you are a member of a co-op or a wheat pool, or if you live in the community on a branch line you know that if the federal government changes the rules in favour of inland terminals all that you have worked for could go down the drain. And although farmers would be first to suffer from a change in the Crow Rate, rural depopulation and corporate concentration in agriculture will increase costs to society, and increase foreign control of our wheat economy.

I believe that the Crow Rate is one part of an indivisible national policy used to unite Canada. As a part of that transportation package, the Crow Rate deal was good for both Canada and the CPR (Canadian Pacific Railway). The CPR was able to tap southern B.C. resources before the U.S. railways by building the Crow's Nest line with government money. In exchange, the CPR agreed to the crow rate which helped develop the West. The taxpayer has had a very expensive relationship with CPR. The 1917 royal commission said that the CPR had received \$279.5 million in identifiable public aid as of June 30, 1916, plus other aids such as tax exemptions. Now, Mr. Speaker, if you allowed a 5.6 per cent annual rate of return, the '79 value of those public gifts was \$8.6 billion. In addition, since 1967 the CPR has received \$772 million in direct government subsidies, and it now owes \$922 million in deferred income tax. The total identifiable public aid to CP Ltd. is \$10.34 billion compared with assets carried in its 1979 annual report of \$11 billion.

While the CPR tells us it can't find money for hopper cars, it spent \$48 million in 1979 buying mines, jam factories, and other businesses in the U.S. While the CPR tells us it can't afford \$300 million to expand its main line capacity it is engaged in a messy bid to spend \$400 million taking over a can opener company in the U.S., a company that

doesn't even want to be taken over, Mr. Speaker.

CP made \$582 million profit in 1980 as a result of the mineral rights, the land, and other aids provided by the people of Canada. But since the CPR doesn't want to provide an adequate transportation system, these resources should be put back at the command of the Canadian people, Mr. Speaker, as the member for The Battlefords has stated.

Mr. Speaker, I maintain that the railways haven't been required to haul grain at the Crow Rate. Farmers and the federal and provincial governments have provided 14,000 hopper cars for grain movement. Every year the government pays the railroads \$85 million in branch line subsidies, and \$70 million to fix up branch lines because the railways haven't reinvested the branch line subsidies in those branch lines . . . (inaudible interjection) . . . Mr. Speaker, if the member would just listen he might learn something here.

Mr. Speaker, there are those who say that the crow value or benefit is not the same as the Crow Rate. Groups supporting the private grain trade and the railways argue that the Crow Rate should be scrapped, that the railways should be allowed to charge the commercial rate for hauling grain, and that the government should compensate farmers for the higher freight rates. This is supposed to be the so-called crow benefit scheme.

This would be presented, Mr. Speaker, as a handout to farmers just as acreage payments were given prior to elections, and then were later withdrawn. If the benefit is frozen, farmers would be forced to pick up the tab on all of the inflationary increases.

As Mr. Justice Hall has said, Mr. Speaker, and I quote:

There is a school of thought which bears repeating that, yes, we favour the crowrates, but maybe there is another way of doing it. My frank opinion is that the other way is to load it on the backs of the grain producers.

The crow benefit or value scheme would also give the railways freedom to charge higher rates on those lines they wish to abandon, thereby forcing farmers to abandon their already-paid-for branch line elevators. This will increase costs to society, waste fuel, and drive marginal producers out of business.

Mr. Speaker, do you want to be forced to give up and walk away from elevators and communities which you have built and paid for? I don't and members on this side of the House don't. The Crow Rate is more than some kind of a sacred cow. Canadian grain moves an average of 900 miles before it can be loaded on cheap water transportation, while farmers in other countries that we compete with are close to river or ocean transportation.

Western farmers have to pay the freight on 1,900 miles for the things they buy, and then they have to pay the freight on 900 miles for the things they produce. The Crow Rate is one policy to break down these geographic barriers. If the Crow Rate were abolished, and farmers paid a commercial rate of say, four times more (it would probably be six times or more), it would cost farmers \$320 million per year — that's over \$2,000 per wheat board permit book holder. Because of reduced farm spending, this would take over \$1 billion out of the western economy.

Mr. Speaker, all Canadians benefit from the Crow Rate, which allows us to sell our land-locked grain in the competitive international market. Grain exports contribute \$4.5 billion to our annual balance of payments in this country. Despite higher rates, U.S. rail

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service is no better (and sometimes worse), and chances are, if you ship off a U.S. branch line, it might be embargoed by bankruptcy proceedings, or be up for abandonment. You will also have to look at increasing public costs, because the U.S. highway system is falling to pieces under the burden of heavy truck traffic.

Mr. Speaker, aren't made-in-Washington interest rates at 18 per cent enough, or do you want made-in-Minneapolis freight rates at \$2 per bushel in this country?

"Iowa Transportation Head Sees Growing Grain Transport Crisis" is a heading that I picked up in the *Grain Instant News* of January 26, 1981, and it's interesting. I quote from that article, Mr. Speaker, from Des Moines, Iowa:

A growing grain movement crisis is at the centre of a total transportation problem in Iowa and in the U.S., according to Raymond Kassel, director of the Iowa Department of Transportation.

"Users are not returning enough investment to transportation to maintain its benefits," Kassel said.

"We pay to have and use transportation, and we pay twice when we can't use transportation," he said.

In Iowa, highways which carry much of the grain traffic are wearing out three and four times faster than they are being replaced. He said there are 3,000 miles of pavement on the state's roads that are more than 40 years old, and 1,100 primary system bridges in the same category.

To keep pace with the rate of pavement deterioration, the state should replace 160 miles every year, but now can afford only 50 miles a year.

He said, "Iowa produces 14 per cent of exported U.S. feed grains and 17 per cent of soybean exports."

Mr. Speaker, I believe there is a lesson for us in this. The member for The Battlefords has mentioned the rates in the United States. I believe it's important for members in this legislature to keep that in mind when they vote on this motion.

I also feel that livestock shippers have been given a raw deal on this whole thing. The West has lost some 40 per cent of its meat packing capacity since 1972 because of high freight rates on meat. It costs \$33.80 to ship a 1,000 pound slaughter steer (and that includes the hoofs, the moo, and the whole works) from Saskatoon to Montreal, but it costs \$53.04 to ship the processed animal as meat, hides, tallow, and blood.

The Conservative Party's policy is to raise freight rates on raw materials. Instead, we support Justice Emmett Hall's recommendation for crow-related rates for meat, livestock, and other processed goods, such as rapeseed products, to encourage western economic development without taking it out of the grain farmer's skin.

This would provide the equivalent subsidy to the movement of the livestock farmer's product as is given to the grain farmer's product. Lower rates on meat and livestock would result in processors paying producers higher prices for cattle.

Mr. Speaker, in all this debate we find that the three federal cabinet ministers involved

— Mr. Whelan, Mr. Argue, Mr. Pepin — are going in three different directions, yet they have the nerve to complain there is not freight rate consensus in the West.

The Hall commission reported its recommendation on the Crow Rate almost four years ago. It was well received in the West, but successive Liberal and Conservative governments have ignored it.

The position of the Tories is clear. Conservative governments in Manitoba and Alberta are on record as favouring the dismantling of the Crow Rate and paying some kind of benefit to farmers. Mr. Speaker, last week, when the Minister of Agriculture and I were in Yorkton at the Churchill Development Board meeting, the Tory member for Vegreville stated that if we got rid of the crow, Churchill's problems would be solved. How ridiculous!

Just before the Conservative government was defeated, its Murta report gave hearty approval to inland terminals, unit trains, and centralized grain handling facilities. This Conservative grain task force recommended extra quotas for inland terminals (which would no doubt assist Cargill) and preferential car allocations, irrespective of market shares, for private companies purchasing or leasing cars.

Is it any wonder the old-line parties support the CPR's bid to change the crow rate? Is it any wonder the Liberals and Conservatives oppose orderly marketing of feed grains, rapeseed, rye, and flax seed? Mr. Speaker, in 1979, the CPR donated \$35,000 to the Conservative campaign and \$35,000 to the Liberal campaign. Cargill donated \$10,154 to the Conservative Party. I say that the problem is the system and not the rates.

We, in this government, believe that we should build a modern transportation system. Only the NDP supports the farmers' rights to orderly marketing and to a railway system which serves Canadians and not the profit motive. This NDP government and our federal counterparts would certainly implement the Hall report recommendations to guarantee the Crow Rate for the farmer, to pay the railways directly for their losses, to make the railways fix up their tracks and buy hopper cars and extend crow-related rates to processed goods.

Referring to the lack of action on the Hall report, our federal leader told the House of Commons, and I quote:

Canadian farmers are tired of studies and back-tracking. They do not demand special privileges: they simply want fairness. We say it is time they got it.

Mr. Speaker, I certainly agree with our federal leader. An NDP government will upgrade ports and ensure adequate capacity of the Great Lake fleet. This government would also bring feed grains, flax, rye, and rapeseed under orderly marketing in order to better co-ordinate transportation and prevent private speculators from siphoning off what rightly belongs to the farmer.

Mr. Speaker, we support rehabilitation of the prairie branch line network to meet the needs of the projected 50 per cent increase in grain exports. And, certainly, we believe in providing the massive investment needed to upgrade the heavy traffic corridors and to acquire hopper cars and locomotives. I think it's time that governments looked at a very important concept, and that is nationalizing CP Ltd. and truly creating an

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integrated rail system as a tool for national purpose.

Without any doubt, this side of the House and our party, provincially and federally support no change to the Crow Rate. It's a pleasure for me to second this motion. I certainly hope all members will support the motion.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — Mr. Speaker, being overwhelmed by the persuasive logic from that side of the Assembly, and being in a withdrawal mood, I think I shall give the response all the time which it merits. I beg leave to adjourn the debate.

Debate adjourned.

Resolution No. 20 — Athletic Scholarships

MR. TAYLOR: — Mr. Speaker, in moving this resolution, I feel that in Saskatchewan we've been somewhat remiss in the field of promoting athletics beyond the high school system. The Saskatchewan High School Athletic Association has always been a very active organization, and has the high school sports very well organized in this province. Such things as track, football, volleyball, basketball go to the provincial level. I think our high schools and our community clubs have been turning out (with their hockey teams, etc.) rather fine athletes in the province of Saskatchewan. I commend the people in the communities, the ones who have to get up early in the morning to get their boys to hockey practice or their girls to figure skating. I commend the teachers who spend countless hours out of school coaching teams and helping young people to develop their athletic ability as well as their academic ability.

It seemed to me, however, in my years of teaching in this province, that all of this, in many cases, was in vain. I have seen, as have many other teachers, very promising young athletes work very hard, train very hard, be coached quite well but in many cases those abilities have not developed as they went on to their post-secondary education. Unfortunately, as the case is, and was, if one stayed within the confines of the universities of Saskatchewan and Regina, the teams there (and I think the teams are coming; we have the Cougars and the Huskies which have brought renown to our province) have been operating in many cases on what I would call a restricted basis in comparison to what would be available to them if athletic scholarships were offered to the young people of this province. I have had many approaches from parents of gifted athletes to push for this as part of our total educational program in the province of Saskatchewan.

You know, we pride ourselves in this country on hockey being our number one sport — the Canadian national sport. But do we offer hockey scholarships to promising young boys from your constituencies to attend university? No, we don't. In fact, it's a bit ironic that some of our boys in the past, many of whom are playing in the NHL (National Hockey League) — fine boys from Saskatchewan and great hockey players — have had to go to American universities on hockey scholarships in order to bring their sports in with their academics. I don't think that's right. I think it would be great if these boys could get scholarships to attend our two universities here in Saskatchewan.

In the field of football, I think one of the things (if we have a Saskatchewan identity in this province) that all Saskatchewanians relate to, and take pride in, is the Saskatchewan Roughriders. I remember teaching lads in my own small school at

Wolseley who had great potential as football players. I know some of the names which have come into the football camp from constituencies around Canora, Meadow Lake, and from areas all around Saskatchewan. The Roughriders are a unifying force. But where have our boys come up through? There has been the odd one who has been good enough to jump from the ranks of the Regina Rams, a fine team, to the Roughriders. But they are few and far between. The majority of these boys have had to go to the United States of America on football scholarships to fulfill their dreams and aspirations of developing their athletic potential and to mesh that with a university education.

I think, also, we would be looking at not only football and hockey. Those are two which come to mind quite easily. These are ones from which all our top people have been siphoned off into the United States to get their training.

Let us not forget the girls in our society. I know there's some amateur hockey being played by girls' teams, but it really isn't as yet a thriving female sport in this province.

We have fantastic basketball teams in some of the city collegiates. We have good basketball teams in some of the bigger high schools.

If there has been a growth in a sport in the high schools in Saskatchewan in the '60s and '70s, it has been in the game of volleyball. I can remember playing volleyball as a student in the '50s. What they play now, compared to what we played then, is a completely different game. We have some students in this province who have great potential in volleyball.

AN HON. MEMBER: — They have nets, now.

MR. TAYLOR: — Let's mention track and field, which leads our students on to Olympic standards. Do we give any opportunity or encouragement, by way of scholarships to universities, to these types of people? Again, the answer is no, we do not.

The other day we stood in this Chamber and debated quite strongly the concept of a Saskatchewan culture. I remember that the topic brought up by the report was that we had to guard against alien influences. I don't know who the aliens were. I still don't know. But let us suppose that the author of that rather misguided report was referring to the United States, our neighbour to the south. Then, here we are, because we do not supply or provide athletic scholarships at our universities many of our bright young people having to go into this supposedly alien land, and supposedly bringing back this alien culture to Saskatchewan. I think it is very important that these people have the opportunity to develop their athletic skills within the universities of this province.

When we look at the whole value of education, we see that people pay money for something they think they are getting value out of. I think that is an economic fact. I think we all agree with that. If we think we are getting our dollar bill back, we will be willing to expend it. I believe the majority of people in Saskatchewan are willing to spend dollars on the education of the young. I thoroughly believe that.

Sometimes I think there is a bit of alienation, or a distance builds up between the local taxpayer who maybe has never been within the doors of a university and has never had a child go to university. He wonders, "Is my dollar bill providing the education and doing the job I want?" I see athletic scholarships as being away of familiarizing some of these people with what is happening at the universities, thereby providing more money for university education.

I cite an example. Any of you may have lived in "Small Town," Saskatchewan, and had a team in the SAHA (Saskatchewan Amateur Hockey Association) playoffs. My goodness, people will travel the length and breadth of this province to follow their hockey team, be it a midget, a bantam, or whatever. There is a sense of home town pride there. With athletic scholarships, I could see a boy from any part of Saskatchewan getting a scholarship to develop his education and to play on the university Huskies or the Cougars. If I know that boy, I am sure going to turn up at some of those games. I am going to feel closer to that university. I think the whole outcome of this would be a greater relationship between community and university which can't do anything but help advance the cause of secondary education.

Mr. Speaker, I have laid out the reasons why I feel there should be athletic scholarships offered at the universities. I would urge the government opposite and the Minister of Continuing Education to give consideration in the budget to providing moneys for the university commission to use for athletic scholarships for deserving young athletes in the province of Saskatchewan. I take pleasure in moving, seconded by my colleague the member for Meadow Lake, the following:

That this Assembly condemn the Government of Saskatchewan for its failure to encourage the development of our young athletes by not assisting the two universities of the province to offer adequate athletic scholarships.

MR. McLEOD: — Thank you, Mr. Speaker. I have a few comments to make in support of the motion offered by my colleague from Indian Head-Wolseley. Certainly his experience in rural Saskatchewan, to which he alluded, in the teaching and coaching of young athletes, has been my own experience as well. I know some of the people on this side have had that same experience, although maybe not in the sports area.

AN HON. MEMBER: — I think he won a scholarship in midget wrestling.

MR. McLEOD: — Absolutely, that was me. Mr. Speaker, my own experience, as I said, has been in the field as a player (and not in the sports which the member across the way alludes to), as a coach and as a teacher in the schools. One of the things which my colleague for Indian Head-Wolseley mentioned was the way in which a good athlete in a particular sport, or a good team from a community in rural Saskatchewan, can capture the imagination of that community. I think there is no one in here who would deny that that can happen. He used the example of hockey teams in SAHA (Saskatchewan Amateur Hockey Association) playoffs. Certainly school teams and high school athletics events do that.

I believe it was last week, in consideration of the estimates of the Department of Culture and Youth, I was asking the minister if he would seriously consider adopting a program similar to the one that is available in the province of British Columbia at the present time. A program very similar to that is now moving into the province of Alberta. I ask again for the government to consider this, whether it be in culture and youth or in the Department of Continuing Education, or wherever, and consider this very seriously.

Very briefly, Mr. Speaker, that system in British Columbia provides for, I believe, 550 scholarships. The number isn't all that important, but 550 scholarships are there at \$1,000 each for students in the province of British Columbia who are resident. I propose the same thing for Saskatchewan. In order for a student to be eligible he would

first of all be a resident of Saskatchewan, have been a resident for a year or more, would have had to meet the entrance requirements to either of our two fine universities, would have had to make one of the intervarsity teams or be selected as a player on one of the intervarsity teams.

In other words, all the criteria that are now in place would be there. All the scholarship would provide is incentive for that student, and for students who are looking at university education, to consider staying in Saskatchewan, rather than going to the United States, as my colleague pointed out.

I would like to refer, for a moment, Mr. Speaker, to a federal government white paper that came out about three years ago. It was entitled "Partners in Pursuit of Excellence." It makes particular reference to the universities as a resource of sports policy and notes that Canadian universities can play a decisive part in the pursuit of academic and athletic excellence in our country. They have the capacity to relate advanced education to sports. The point being, that in a university, like the University of Saskatchewan or the University of Regina, we can develop academic staff members who can coach athletes in the finer techniques of improving their performances, and also relate that to the community or the province for the benefit of the whole province and the development of coaching here.

I contend that we should be looking at the financing of sports, not so much as a problem, but rather as an opportunity. It's a growing industry. We could provide leadership here by combining academic excellence with athletic excellence.

We have to recognize that the government has a responsibility to provide some leadership in this area. That is why I am advocating that we create a Saskatchewan youth athletic scholarship program. With that, I would once again emphasize that I would like the minister responsible for both departments (continuing education and culture and youth) to give this serious consideration. Hopefully, we will see some action in this regard within the next year or so. With that, Mr. Speaker, I take pleasure in seconding the motion.

MR. NELSON: — I would like to rise to comment briefly, first of all, on some of the things that were said by the two members opposite. I must say that I was rather surprised by some of the statements that were made, particularly by the member for Indian Head-Wolseley.

One of the things that the member mentioned was that in the coaching and teaching of hockey players and athletes, the results were in vain. All the work that they put into it was in vain. I'm rather surprised at that statement, Mr. Speaker, because this would imply that the influence of the coaches, the competition, and everything that went on within that sports arena (and within the whole province of Saskatchewan), was of no value. That is the question, Mr. Speaker. To me that's an important question. The work done by those coaches and the activities of those athletes were very important. It was not in vain, even if they did not reach the top ranks. It was something that helped to build the fabric of our country and of our province, and so I say that there was great value, whether they went on to become top athletes or not.

Mr. Speaker, we have developed a very large number of top athletes in the province of Saskatchewan — in hockey, some in football, and as the member for Indian Head-Wolseley mentioned, we have developed a long way in basketball and in volleyball and in many other sports. The member, Mr. Speaker, decried the fact that people went to the

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United States on football scholarships. This is the country (the United States) that developed football in its modern form, and naturally it is one of the leaders in that because of its climactic conditions . . . (inaudible interjection) . . . I'm coming back; I'll come back to it as well, Mr. Speaker, don't let them get excited.

The point I'm making is that naturally people will want to go there to pick up skills in football. I don't see how we're going to stop that flow. There is certainly going to be a number of top athletes who are going to want to go in that direction. But, Mr. Speaker, the reverse is true of hockey. We've developed the world's top ranking hockey players.

AN HON. MEMBER: — And they're playing in Wisconsin and Denver.

MR. NELSON: — Yes, and you're not going to stop that one either. You're not going to stop them from heading to Wisconsin or Denver either.

I was also surprised, Mr. Speaker, that the member for Indian Head-Wolseley said that all our top people are siphoned off. Now, that would lead one to think that only second-rate athletes are left in the two universities in Saskatchewan. They are not second-rate athletes, Mr. Speaker. They are top-rate athletes, and I'm exceedingly proud of the departments of physical education at the University of Saskatchewan and at the University of Regina. I know that all members on this side are very, very proud of the efforts of these people in the universities. However, Mr. Speaker, I have just received a few more documents that I would like to study, and I would like to look further at the comments from the member for Indian Head-Wolseley. I would beg leave to adjourn debate at this time.

Debate adjourned.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

THE HIGHWAY TRAFFIC BOARD

Ordinary Expenditure — Vote 15

Item 1

MR. CHAIRMAN: — I ask the minister if he would introduce his officials.

HON. MR. LONG: — Thank you, Mr. Chairman. First of all, I would like to introduce to you this afternoon the chairman of the highway traffic board, Mr. Bill Sheard; Terry Pollock, the director of the motor carrier division; Lewis Henbury, director of licensing division; Ed Kryski, the head driver examiner; Mr. John Hammond, the vehicle standards engineer; Paul Landry, director of vehicle registrations.

MR. BIRKBECK: — Thank you, Mr. Chairman. I want to join with the minister in welcoming his staff here, notwithstanding the fact that I find it interesting that he needs his staff to answer the questions and I don't need any to ask them. Nonetheless, we are appreciative of the staff being here to enable the minister to answer the questions that we will have from this side of the House. I might add, at this point, that there will be rather few. We have covered our major concerns which were under the Department of Highways and Transportation. We have a few isolated concerns under the highway

traffic board.

The first one is a concern that there are requirements, possibly new or possibly not (I would just leave that for you, Mr. Minister, to answer), with regard to gooseneck trailers. What class of driver's licence is required currently? When was that particular decision made?

HON. MR. LONG: — If the unit being towed is in excess of 10,000 pounds, they are in a class 1 area. However, we are considering putting them into a class 3 or 5 area.

MR. BIRKBECK: — I want to be somewhat more specific, Mr. Minister. I want to know specifically what class they were required to have and what class they are now required to have. And if it hasn't changed, I want to know when it's going to change, and when it does change, what class will they be required to have? That's well laid out. It's a simple question, so it should be a simple answer.

HON. MR. LONG: — We are looking at changes within a two- to three-month period.

MR. BIRKBECK: — All right, you are looking at changes that are going to come about in a two- to three-month period. Now what will be the result of those changes?

HON. MR. LONG: — I indicated to the member it may be possible to use a class 3 or a class 5 licence in these circumstances — pulling a gooseneck trailer.

MR. BIRKBECK: — And how will this proposed change be brought about? First, will it just be brought about by an order in council regulation change (and that's what I suppose)? That being the case — you can confirm that if you would please. Secondly, what changes, if any, to the regulations will be made respecting the vehicle that will be, of course, involved in pulling the gooseneck?

HON. MR. LONG: — Yes, you are correct. The changes will be made by regulation, and I am informed that no changes will be required for the power vehicle pulling the gooseneck.

MR. BIRKBECK: — All right. Now, can you explain to this Assembly, for the Assembly's benefit and this committee's benefit, what specifically are going to be the differences to that driver operator, and his licence, by using a class 1 as opposed to a proposed 3 or 4? You have three different classes. For the benefit, as I say, of the committee so that they understand what we're attempting to arrive at here, explain the differences of 1 and 3 and 5 as it relates to this proposed change. You might elaborate at that point as to why you are making that change and bringing it up to that standard.

HON. MR. LONG: — I'm afraid we're not able to answer all of those questions right now. We are still working out the details.

MR. BIRKBECK: — Well, Mr. Minister, you must know what a class 1, a class 3 and a class 5 consist of, and you should be able to explain that to the committee. Now, can you not do that?

HON. MR. LONG: — The class 1 is for professional drivers operating a semitrailer; a class 3 will be for tandem trucks; a class 4 will be for those people operating taxis and those kinds of units.

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MR. BIRKBECK: — Mr. Minister, why are you proposing to change the driver licence requirement for operators of gooseneck vehicles?

HON. MR. LONG: — It is strictly a convenience measure for farmers for the most part. They find that with this requirement lowered, in this respect, they wouldn't have to go through the medical as they would with a class 1.

MR. ROUSSEAU: — Mr. Minister, I'm just trying to get the right plate code here. An FPF? That's a farm plate I take it? What specifications do you consider the vehicle should have? I will be more specific. A farm truck cannot have passenger-carrying capacity in the back. Is that correct?

HON. MR. LONG: — No, that's not correct. You can carry people in the back of a truck, in the back end, or you may be in a crew cab situation. I would just inform the hon. member that those are popular on the farm and all of them have F plates on them.

MR. ROUSSEAU: — Okay. I guess I didn't explain myself and I may as well get into that quickly.

I am told that a crew cab can be licenced as a farm truck. Now a crew cab has seats in back of the driver's seat and so on — you know what a crew cab is — and the same with a club cab. A wagon, and I'm talking about a Jimmy type of wagon, is exactly the same unit, and yet you will not license that as a farm vehicle. Now, that has the same seat arrangement as a crew cab and the cargo area at the back. Many farmers today prefer the four-wheel drive, Jimmy type of vehicle for farm use. They are using it for farm use. You are disqualifying that vehicle from having a farm plate. Am I correct? Will you tell me why?

HON. MR. LONG: — Those standards are set down by the board. It has been the board's decision that that type of vehicle is not, in fact, a farm truck-type of vehicle, but more a vehicle which is set up for the transportation of people. It is not a truck in the sense that a farm truck is set up for the transportation of goods or farm products.

MR. ROUSSEAU: — Mr. Minister, that's absolute nonsense. Even correspondence from the acting chairman of the highway traffic board (and I will quote from the letter) states:

The board has determined that these multipurpose vehicles when equipped with seats to the rear of the driver's seat are designed and used primarily for the transportation of people.

Now you're saying multipurpose vehicle. A crew cab and a club cab are multipurpose vehicles; there is no difference between them and the Jimmy-type of vehicle, which is preferred by many farmers today. They are preferred because of the four-wheel-drive feature and the enclosed cab feature. Now, I agree they won't be hauling grain, but there are many farm products which this type of vehicle can carry. I ask you to discuss this with your board and ask them to change the ruling on that. It is not fair to those farmers who want to use that vehicle as a farm vehicle, and at the same time use it for the convenience of their family.

HON. MR. LONG: — I would just reply to the hon. member that there is a difference of opinion between the hon. member and the board. The board feels that is more of a transportation vehicle, more specifically used for the movement of people. There is no

question that a half-ton truck or a crew cab is more specifically used for the transportation of farm products. I think there is quite a difference. I think the board is probably right in dealing with this area.

MR. BIRKBECK: — Mr. Chairman, Mr. Minister, given the fact that, for example, the fur industry is a farming industry, an individual could be involved in any type of farming operation in northern Saskatchewan, where it would be very much to his advantage to have an all-terrain vehicle or four-wheel drive, if you like. Why should that individual be restricted by not being able to license that all-terrain vehicle with a farm plate? Why should there be discrimination between those involved in agriculture, in farming (if you like), and those who aren't? Fishing is farming. Whether you understand that or not, you must realize that. Fish farming would be done possibly in northern Saskatchewan, out around the lakes, where it would be most acceptable to an individual in that business to have an all-terrain vehicle. He would be restricted under these regulations from having an F plate.

I want to know very succinctly now, Mr. Minister, if you agree with the regulations which are in place right now, or if you, as minister, are going to be proposing changes to broaden the scope as it relates to the licensing and farm plate licensing, in particular, of all-terrain vehicles? Are you prepared to take that under active consideration and make that a recommendation?

HON. MR. LONG: — I would just point out to the hon. member that there are a number of vehicles that are all-terrain vehicles, and many of these vehicles qualify for an F plate. So I don't see where there is discrimination. Many of the truck-type vehicles are four-wheel drive and they qualify for an F plate. If the entrepreneur who is involved in fish farming or fur farming or whatever wants to go that route, there is no reason why he can't.

MR. ROUSSEAU: — Mr. Minister, you indicated a couple of minutes ago that your board disagrees with me. Well, I say to you that your board is disagreeing with the farmers of Saskatchewan, and in effect is creating a bit of difficulty for the farmers in Saskatchewan who want to operate own, and license a four-wheel drive van-type unit. Again, I would ask you to discuss with your board the change in your attitude on this and to allow that vehicle to be licensed as a farm vehicle.

My colleague for Moosomin has given a couple of examples and I can give you many more. For example, the dairy farmer or a poultry farmer who delivers eggs with his unit prefers to have a heated vehicle during the winter. We could go on and on with the examples. Why should you create a hardship for some of these farmers who are now required to buy two vehicles to do the job of one because of the fact that they must operate the other type of vehicle or license it on that basis?

Mr. Minister, I would ask you, once again, to reconsider and to discuss with the board allowing this vehicle to be licensed under an F plate. There is no reason why this could not be allowed. The criterion for allowing it is simply that the man is a farmer. Who are you to determine what the man should own? I don't think that is your right. He wants to drive a van and he has a farm. He's using it for farm purposes. It's not your decision whether he should drive or own a crew cab, a pick-up, or a van. Again, I ask you to reconsider that.

HON. MR. LONG: — I would certainly agree with the member that it's not my decision to tell a farmer what he should own or what he should drive. I don't think it's the board's

decision either. Requests of this nature, I would inform the members opposite, are minimal. There aren't that many requests of this nature.

I would point out to you again that there is still the option, if they want a four-wheel drive, all-terrain vehicle, of getting a truck-type vehicle, and it qualifies very readily for an F plate. I have never seen anyone moving produce to market in a Jimmy-type of vehicle. I have noticed them tearing through the ditches and out hunting with them.

I think that the privilege of purple gas in farm vehicles was set up for the marketing of products and for the operation of the farm. If there are enough requests for this kind of thing, I am prepared to consider it and take it up with the board. But, we haven't had a significant number of requests for them.

MR. ROUSSEAU: — Well, if every time you wanted to make a change to something you had to wait for the request . . . I mean, common sense should tell you that you don't need the request from the individual. Common sense should tell you that vehicle should qualify as a farm vehicle.

I want to move on to another subject, Mr. Minister. At the outset I want to say that I don't want to be misunderstood in what I am going to say at this point. It's a bit of a ticklish or dicey situation. I'm referring now to your driver testing examiners. They are driver examiners.

The situation has been presented to me by several constituents and I'm bringing it to your attention to, perhaps, investigate the situation to start with. Many sixteen-year-olds (and they are all sixteen years old who are first applying for their licence), are being severely intimidated by the examiners in that test. Many of them are young people who have taken driver training from the schools. They are qualified, have passed the exams, and when they arrive at the testing station (or whatever it is) and get into the vehicle, they are severely intimidated by the examiner in many ways.

I have some examples in front of me. One is from a young man who had his learner's permit and was allowed to drive with his father. He drove the family to Calgary, Edmonton, Saskatoon, and a few other places. Four times he was failed by your examiners. I know the case of a sixteen-year-old girl who was failed twice because she didn't panic stop at a yellow light. This kind of criteria (I suppose it is) is being applied to the exam.

Now, I would be the last person to recommend to you an easing up of the regulations when it comes to drivers' licences. I would recommend that perhaps the board might first of all investigate the intimidations reported to me. Secondly, I'm recommending something on the basis of consideration — not as a recommendation which I would want you to do without further investigation. Would it be possible to consider licensing a young person, the main qualification being that he passed his driver training by a qualified teacher? Ease up a bit on the final test given by the examiner, with the condition that he would have a three-month probationary licence. In that three-month time, if he breaks laws, or causes an accident, that licence is revoked. He then has to undergo further driver training at his expense, and again has to pass the same "eased-up" test, where there is less of that intimidation.

The second time around, again on probation, he might lose it for six months. Now, I am throwing figures out. You can give them some consideration and some thought. I don't

want to see a situation, having said what I have, where the requirements or teaching of driving, the laws and so on, are eased up to the point where there will be reckless young people driving cars. That is the last thing I want to see happen. I want to make it very clear that I am not recommending that sort of thing. I am asking you to examine the system you have at the present time, keeping in mind that perhaps a probationary period for these young people could be used, and, on the other hand, easing up on the other.

One further thing, I understand that when they take the physical test, they are not allowed to be accompanied by their parents in the back seat. Sometimes, this might make them feel a little more comfortable or more at ease, perhaps let them relax a little bit. But the situation is not that some of these young people are bad drivers; it is just that at that point in time, they freeze or are intimidated by the driver examiner. Consequently, they fail the test.

I would like some thought given to that; perhaps you can even report back to let me know what your findings have been.

HON. MR. LONG: — First of all, I would say to the hon. member, if you have situations where you feel that people who have been taking licence tests have been intimidated, I would appreciate it if you would document them. We could look into them. I would say to you that in any examination situation where there is an examiner and a person seeking a licence, there is a certain amount of intimidation or crisis involved. That is naturally built in. I can appreciate that as far as a young person is concerned. I am sure it is probably true of the examiner on occasion, too. I think that is naturally there. I think the member appreciates that. I think we are always endeavouring to improve that situation. If there is a problem with one examiner and a student fails, perhaps, twice with that particular examiner, we try to have another examiner do the test and rectify that problem.

With respect to your comments about the probation period for young people, I appreciate what you are saying. I understand they are going into that kind of system in Ontario — a probationary period for young people. I understand what you are saying. I am willing to take a serious look at it. I do have some concerns, because I know there are many 16-year-olds who, after they have been through driver training, are very good, even excellent drivers. In fact, probably, the majority are excellent drivers, probably better, sir, than you and I, because they have been better trained, with all due respect to the member opposite.

AN HON. MEMBER: — Let's not have any recklessness now!

AN HON. MEMBER: — Speak for yourself there, Bob!

HON. MR. LONG: — I am certainly ready to take a serious look at that possibility.

MR. ROUSSEAU: — I think you misunderstood, and I was afraid you would, that I had a specific case. I am not trying to suggest that perhaps one of your examiners is an ogre of some kind. I am not suggesting that. I am just saying that the situation creates that kind of intimidation. You know, it could be for all of them, and not because of the person who is doing the testing; it's just that there it is and they want to get that licence in the worst way, and of course they are being intimidated at that point. So again I want you to look at it, and consider the possibilities of it. The other thing that concerns me is the fact that they have to, then, once they fail — as the system is now — reapply for a certain

time. It costs them another \$9 to take the test again, and again, and again, and again. Perhaps, if that's happening, you should be looking at some of your examiners; if it's the same one all the time, there may be a reason.

And then there is also the other idea of allowing a friend, or a parent, or a teacher, or somebody to accompany them when they are taking that particular test. They may feel more comfortable. I'm just asking for a review of your program, and upgrading it if possible. I think the probationary period is one idea that could be advantageous in reducing accident rates in this province, because of which we are losing so much money from that fund, and that the two- and three- and four-time offenders be penalized in a different way. Taking their licences away may just be that way because particularly at that age, they'll be that much more careful.

MR. BIRKBECK: — Mr. Chairman, I want to ask the minister: have you or any of the officials in your department at any time in the last year received a letter from anyone in the province of Saskatchewan depicting the situation that the member for Regina South has just laid out for you? Have there been any letters whatsoever to your department?

HON. MR. LONG: — I'm not sure what the member is talking about. In the driver licence testing?

MR. BIRKBECK: — The member for Regina South had alluded to the notion that in some instances young people, in particular, taking driver licence tests were being in some way intimidated by these gentlemen giving them the tests and I want to know if you've had any letters to that effect. Has anyone written you and complained? Perhaps some parents have written a letter on behalf of their children stating, "We feel that there is something wrong here. Our daughter or our son was out for a driver's test today and was totally intimidated during the test." Have you any letters to that effect?

HON. MR. LONG: — Yes.

MR. BIRKBECK: — All right. Now we know that you've received some letters and we know on this side we've had some complaints. To what extent, then, have you had letters relating to that particular problem? That's a difficult question to answer, I know, but give a ball-park figure.

HON. MR. LONG: — I'm informed no more than six throughout the year.

MR. BIRKBECK: — Okay. You've had six in the year. That's interesting and it's good that we were able to establish that, because it's been our belief that there needs to be some changes. The member for Regina South alluded to a three-month probationary period. I don't know whether that's the answer. Certainly, we on this side of the House want to be very firm in our position that we want driver licences to be set in such a manner as to assure the motoring public that people holding a driver's licence in fact have passed an exam that qualifies them to be on the road. And that has to be a bottom line. We can't (I don't think, at least) be proposing changes that would put young people or anyone else that's applied for a driver's licence, and subsequently passed, on the road at any less of a standard. We don't want to lower the standards, very simply.

But we do want to address ourselves to this problem of intimidation in some areas, and I don't know how serious it is. I know that I've heard of it from my area personally. And I think perhaps your suggestion is about as valid as there is, if we are to make the public

aware that if at any time they feel, during the course of taking an examination for a driver's licence, they were intimidated or there was something unfair about the way the examination was conducted, they should relate that particular experience to their MLA, who in turn would forward photocopies of documents (if it were a letter) or relay that concern directly to your office. You would then possibly be able to ascertain which examiners throughout the province were having a higher complaint record. Then it could be broken down to a problem, not in the system, but rather in the personnel working within the system. And that could well be.

I suppose the best analogy for that would be a young RCMP constable who has just hit the road for his first month or two. He's feeling pretty good about being out there, and it's a pretty big hammer he's wielding. You know, he comes across me (that's not too difficult to come across), and I suppose there could be situations similar to that.

I think enough has actually been said on that particular subject, but I want to emphasize that a very valid point has been made regarding a degree, at least, of intimidation during the examinations of people applying and writing exams for a driver's licence. So we want to be sure that the committee has recorded that particular problem.

There's another problem in the same area, as it relates to young people applying for driver's licences. Can you tell me what the costs are of taking an exam for the first time, and what they are for the subsequent examination if they fail their first exam?

HON. MR. LONG: — First of all. I'd like to react to your concerns about intimidation and point out to the hon. member opposite that throughout the year, approximately 40,000 driver's exams take place in Saskatchewan. We estimate that about six letters a year with complaints come in, so it's very minimal. I certainly appreciate your concern and I think there is a natural kind of investigation which goes on within the highway traffic board when these sorts of complaints come in. I'm sure that these sorts of things are checked out.

The fees you are asking about are: for a class 5, \$6; for a class 4 to 3, \$9; class 2 to 1, \$15. That's each time that they are tested.

MR. BIRKBECK: — Okay. That rate doesn't change on subsequent exams. It's the same. That's a straight flat rate?

HON. MR. LONG: - Yes.

MR. BIRKBECK: — Okay. I can appreciate that. I want to raise some concerns which the member for Maple Creek will be elaborating on later this evening with relation to the examination places that we have now. We are finding a restructuring. I have talked with officials in your department regarding the restructuring of the numbers of locations within the province where a person can take an exam for a driver's licence. How many do you have currently in the province of Saskatchewan, and how many did you have a year ago?

HON. MR. LONG: - 114 a year ago and 114 now.

MR. BIRKBECK: — All right. Are you making any plans whatsoever to reduce that number?

HON. MR. LONG: — Yes, we have a general review of the board's operations going on

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on more or less of an ongoing basis. We may, indeed, change the number of locations. When I said 114, I would point out to the hon. member that some of them are shut down in the wintertime. That's something which I didn't mention.

MR. BIRKBECK: — How many of these 114 are shut down in the wintertime, and how many operate throughout the year? As well, you have 114 examination centres. How many examiners are involved in serving those 114 centres?

HON. MR. LONG: — There are about 20 locations closed down during the wintertime. We have 26 examiners throughout the province and five superintendents.

The Assembly recessed until 7 p.m.