

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 22, 1982

The Assembly met at 7 p.m.

GOVERNMENT MOTIONS

ADJOURNED DEBATES

Crow's Nest Rate (continued)

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. MacMurchy:

That this Assembly, recognizing the grave social and economic implications of the federal government's attack on the crowrate, rejects the federal government's plan to abolish the statutory crowrate and replace it with a law designed to protect the railroads, and affirms the commitment of this legislature to the crowrate with its fundamental principles of a fixed rate for producers and equal rates for equal distance.

HON. MR. KOSKIE: — Mr. Speaker, I'm pleased to stand in support of the resolution for the retention of the crowrate. This issue is not a simple difference of opinion on who should pay a little more here or who should pay a little more there. It is an economic issue involving billions of dollars. It is, as well, a social and cultural issue.

Our difference of opinion with the federal government and the Saskatchewan Conservative opposition on this important matter on the best way to deal with transportation problems in this country demonstrates a fundamental difference in outlook.

Mr. Speaker, our government maintains that the crowrate is essential to farmers and to Saskatchewan's rural way of life. It is important to the Saskatchewan economy, and indirectly benefits Canadians everywhere.

To understand the history of the crowrate is to understand the single most important force in the history of prairie agriculture. Based on a pact that goes back to the 1890s, the Crow's Nest Pass agreement guaranteed low freight rates for grain movement on Canadian railways. Had it not been for the crowrate, prairie farmers would not have been able to move their grain 1,500 miles to tidewater to compete in world markets. In return for low freight rates on grain in perpetuity, the CPR was given large subsidies for building a rail line through the Crow's Nest Pass of the Rocky Mountains; 3.7 million acres and several millions of dollars were given to this multibillion dollar operation to get the line built. Connected with this deal the CPR acquired a smelter which became the nucleus of Cominco subsidiary. In 1980 alone, this subsidiary paid a \$40 million dividend to the CPR enterprises.

In 1925 under pressure from the Saskatchewan farm-labor members, the federal government amended the Railway Act to enshrine in statute a rate for the movement of grain and flour out of western Canada on all rail lines of all rail companies. This amendment did two things. First, it divided the farmers with a fixed rate for moving grain to port. This was essential because the railway was a very powerful monopoly position. The farmer had no choice but to haul his grain to the nearest rail line. The

crowrate agreement provided farmers with some measure of security. It ensured that their grain would be moved at an affordable rate, and it ensured that the railways would not tamper with the rate.

It seems that the federal government was more aware in 1925 than it is today of the importance of fixed rate for farmers. The rate was fixed to ensure that railway companies motivated by profit would not hold prairie farmers to ransom.

Secondly, the 1925 statute provided that the rate to move grain would be solely determined by how far the farmer lived from port. It didn't matter whether the producer delivered his grain to an elevator at a branch line or a mainline. It didn't matter whether the producer lived in a large city or a distant hamlet. The only consideration was the number of miles the grain had to go.

Upon these principles, guaranteed by federal law, prairie agriculture developed. The Saskatchewan Wheat Pool was born to provide a network of country elevators close to the farmers. Family farms prospered, and hundreds of small communities providing schools and churches and stores and agricultural services were built around the country elevator system. This shaped the course of agriculture in Saskatchewan. It helped to ensure that the family farm would be a viable operation, and it caused and shaped a distinctly unique prairie way of life. It fostered a sense of community and a tradition of community involvement.

A few years ago, a federal government commission was established to report on grain handling and transportation in Canada. The author, Mr. Justice Hall, recognized that the crowrate is important to Canada as a whole because of the contribution wheat makes to the federal balance of payments. Moving grain at a fair cost to producers means that our product is competitive on world markets and earns for Canada \$5.6 billion in foreign exchange each year.

Mr. Hall also recognized that the crowrate protected the lifestyle of the family farm and the small rural communities built around grain elevators and railway branch lines. Mr. Hall maintained that the country elevator system was the most efficient method of grain collection.

So we see that prairie agriculture and our prairie lifestyle are contingent on our ability to move our most important product at an inexpensive rate, at a fixed rate, at an equal rate for equal distance. I want to say, Mr. Speaker, that this statute is good for Canada, that it's good for Saskatchewan and certainly it has been good for the prairie farmers.

The railways, in turn, have been handsomely rewarded with vast tracts of land and mineral rights that would make the Saudis envious. In addition, CPR receives hundreds of millions of dollars in annual subsidies. So we say, "What's all the fuss about?" We all realize that work has to be done to build a modern rail system in Canada if we are to meet the projected demand for rail services in the 1980s and 1990s.

No one on this side of the House disagrees with that. But the federal government's solution is, as it has always been, to give away to the railway. The Pepin plan is just one more sell-out. It ignores the history and the significance of the crow. It ignores the October 1981 poll of the prairie farmers that shows overwhelming opposition to higher freight rates. And it ignores their own federal study. The Pepin plan is a complete reversal of what has been in the statute since 1925. It destroys the principles of a statutory rate and of equal rates for equal distance. In short, it strikes at the very heart of

Saskatchewan's way of life.

Mr. Pepin says that an increased contribution by the grain producers will be required to modernize the western rail system. But how much of an increase, Mr. Pepin does not say. What he does say is that an investment of \$13 billion will be required for the rail system in the next 10 years. He also says the railways do not have sufficient financial resources to undertake this project and that the federal government's resources are limited.

So who is left, Mr. Speaker? Only the farmer. By the way Pepin talked, he would have us believe that the western rail system existed solely to move western grain to port. This, of course, is nonsense. Grain movement comprises only 21 percent of the CPR's total traffic and 17 per cent of the CNR's. By 1990 the grain movement will comprise only 14 per cent of the total traffic.

The rail lines are moving increasingly larger shares of other commodities, particularly coal. The volume of coal moved on our rail system will more than triple in volume during the next 10 years. Why then are the farmers being singled out to pay for an improved rail system? The fact is that with or without the statutory crow the CPR will improve and modernize the rail system because it's in its own interests.

One of the Canadian Pacific's subsidiary companies alone is sitting on two billion tons of coal that will need to be transported to market. Simply put, the Pepin plan guarantees that the railways will receive increasing compensation for the movement of grain. It replaces the statutory rate with a compensatory rate. No longer will grain be moved inexpensively; no longer will there be a fixed rate for producers. There is, as well, no equal rate for equal distance in the Pepin plan. The railway will have a free hand to charge higher rates on branch lines and will be free to abandon rail lines that don't make them enough money.

Mr. Speaker, the economic and social consequences of the Pepin plan are devastating. There is absolutely no doubt that abolishing the crowrate will mean that millions of dollars will be taken directly out of the pockets of Saskatchewan farmers to pay for higher freight rates. In fact, depending on the level of grain production in the province, Saskatchewan farmers stand to lose over \$2 billion by the year 1990. Farmers' incomes would be cut drastically, a cut which would put many farmers out of production.

The impact of such a reduction in farm income is staggering. A \$2 billion reduction in farm income would reduce investment in the province by over a billion dollars and would reduce retail sales a further \$0.75 billion. Pepin's variable rate scheme means that the railroads will be able to charge more for hauling grain on branch lines or abandon such branch lines altogether. This will mean the death of many small communities which have been built around the country elevator system. That very way of life that we have championed and that we are so proud of will wither and die. Farmers will have to haul grain farther and will have to live in greater isolation.

Of course, the exact economic and cultural consequences of the Pepin plan are difficult to predict. Which rural communities will survive and which will not? Which branch lines will be abandoned and which will be retained? We cannot say. And the reason we cannot say is because these decisions will now be left to the railroads, if indeed the Pepin plan is passed. The federal government, knowing it has no support in the West, and therefore no support to lose, intends to replace a law protecting farmers

with a law which the railroads will use to exploit farmers.

The CPR does not care about our farmers or about our rural communities. The CPR cares only about the CPR. It is responsible only to its shareholders, and if Mr. Pepin gets his way, the CPR will hold greater power over us than any corporation has ever held before. Agriculture is Saskatchewan's number one industry. When the farmer does well, we all do well. When the farmer's income is cut, everyone, even those in our major cities, feels the effect.

Mr. Speaker, the railroads claim their service would improve if only our statutory crowrate was replaced with a compensatory rate, but their arguments are not very convincing. Last year a group of Canadian MPs and Saskatchewan MLAs toured some of the grain-growing areas of the United States where the compensatory rates are in effect. Their observations were anything but supportive of the American style of doing things. They found abandoned branch lines, elevators filled to the brim, and a shortage of rolling stock to move grain. To add insult to injury the American farmers pay almost 10 times more than Saskatchewan farmers for this delivery system.

For example, a farmer living in Canora, Saskatchewan, pays 27 cents per hundredweight to move his grain, but for his southern neighbor in Minot, the cost is \$2.33 per hundredweight. In Weyburn, farmers move their grain for 28 cents per hundredweight but in Williston they pay \$2.17 per hundredweight. In my constituency, at the town of Quill Lake, a 10-fold increase to transport grain would mean a loss of farm income in excess of \$1.8 million, lost investment income of over \$975,000 and lost retail sales of \$713,000. Economic losses to the town of Quill Lake would total \$1.7 million.

If we look at the loss to the individual grain farmer, one who owns an average size farm will lose over \$15,000 in a single year. Mr. Speaker, these economic projections are formulated on the basis that the farmers would pay 10 times more than they do under the present statutory crow. This, however, is a very modest projection. Based on the federal government's own figures, farmers could be paying as much as 13 times the current rate by 1990. The Pepin plan is bad for our prairie economy. It's bad for our rural communities. It's bad for our farmers. In fact the Pepin plan is bad for everybody - everybody, that is, except for the CPR. For the railroads the Pepin plan is indeed very, very good.

Mr. Speaker, where do the Tories stand on this important issue? If Conservative members really oppose changes with the crow, why is the member for Thunder Creek on record in this House as saying the following, and it has been quoted before; I quote from *Hansard* of June 13, 1980:

It's time to get away from the concept of becoming paranoid. Whether you're going to haul your grain that 8 miles or 25 miles, our system has broken down completely over this dogma.

Why is the member for Rosetown-Elrose on record as saying:

The Minister of Agriculture in Saskatchewan is still saying, "No change in the crowrate." The government should get its head out of the sand and begin to look at something more realistic.

And why did the member for Souris-Cannington question our government's position on the crow and ask that we support changes in the crow? Why is the Tory leader, Mr. Grant Devine, on record as questioning the value of the crow, suggesting it may not be in the public interest? Mr. Speaker, it is most certainly an elected member's prerogative to change his mind. But do the Tories expect the people of Saskatchewan or, indeed, us, to believe that they have all changed their minds at once?

The opposition's dramatic so-called reversal can only mean one of two things. They are floundering for lack of clear direction and policy on this issue. They are deliberately attempting to mislead the people of the province. They are saying that they back the farmers, but in fact they back the railroads. I want to say that they will not fool the people of Canada. They will not fool the people of Saskatchewan. I think one only has to look at the recent Gallup poll: Tories down 4 or 5 points; Liberals down 4 or 5 points; NDP up, support increasing in the West. Crow is an issue. The people of Saskatchewan know who will defend and be their vehicle to fight for the crow.

I want to say that I think it is fitting that I take a look at a newspaper report here from the *Leader-Post*. The headline of this article is "NDP Misquoted Me on Crowrate, Devine Says." It goes on in this article to say:

Devine admitted he evoked that the rate might have reduced the level of economic and employment opportunities and general wealth by limiting the growth of the industrial sector.

That's what their leader said. Then when they questioned him on it, he said:

I've written volumes as a researcher. I wasn't asked when I was researching to be a politician or anything else. On campus you are asked to be a teacher and to look at all these issues from all sides.

Can you believe it? And they are going to go forward to the people of Saskatchewan with a leader like that, with a clear and unequivocal position on the crow.

Mr. Speaker, it has been said that he who pays the piper calls the tune. And in the Conservative Party the tune is called by the large corporations. Mr. Speaker, between 1978 and 1980 the Canadian Pacific and its subsidiary companies donated over \$190,000 to the Conservative Party. So it's no wonder the Conservatives talk out of both sides of their mouths. It is absolutely unbelievable that Canadian Pacific would donate such large amounts to a political party that would oppose them. Do the Conservatives really expect us to believe that they would pluck the goose that lays the golden egg?

Unlike the Tory opposition, the government's position is clear in respect to the crowrate. I want to say that we are committed to the crowrate with its fundamental principles - a guaranteed rate for producers and equal rates for equal distances. We believe the western rail system should be modernized and that this should be done through direct public equity investment. We do not support large subsidy giveaways to the CPR. The Saskatchewan government's position makes good sense for Saskatchewan and, indeed, for all of Canada.

Last year our government purchased 1,000 hopper cars to move grain to the West, and these hopper cars moved 8 million bushels of grain to port. This commitment demonstrates the NDP Saskatchewan solution works.

Mr. Speaker, New Democrats stand firmly behind the Saskatchewan farmer and behind the Saskatchewan lifestyle. We did not introduce land bank and FarmStart and assistance to our small communities throughout Saskatchewan and decentralize services of government to have our rural way of life attacked by an insensitive government in Ottawa, supported by a Tory opposition to enhance the railroad rip-off of the western farmer. Canada's vast distances and rising fuel cost make it even more important now than ever before to move our products to market inexpensively, rapidly and reliably. Through public equity investment our railroads can be used as an instrument of national policy to achieve this end.

Mr. Speaker, the Saskatchewan farmer and the Saskatchewan businessman know who has been speaking out on their behalf to retain the crowrate. They know where the Minister of Agriculture, the Hon. Gordon MacMurchy, stands. They know where the NDP stands on this issue, and I am confident that they will choose the NDP as the vehicle to fight the battle against the change to the crow. I want to say in closing, Mr. Speaker, I am confident that, should the occasion arise in the near future, the people of Saskatchewan will join ranks with the NDP, with the leadership of Allan Blakeney and the fight that Gordon MacMurchy has fought to date on their behalf. I am confident that they will reject the Tory party's belated repentance.

SOME HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUESTS

HON. MR. WHITE: — Thank you, Mr. Speaker. It gives me a good deal of pleasure to introduce to you and to the House about 20 members of the 52nd Wolf Cub Pack from the Hillsdale area. Most of them are students at Massey School and they meet regularly at All Saints Church on Massey Road. Accompanying them tonight are four adults - Cubmaster Marvin Blauer and Assistant Cubmasters Linda Pratt, John Wright and Susan Howe. For the information of our guests, I'd like to say that the House is presently debating freight rates, to be specific, the crowrate, a special low rate on the movement of grain to seaports.

I hope that the visitors have a very enjoyable tour of the building, and in interesting stay in the Chamber. I would ask each and every member to join in welcoming them to the Chamber tonight. I will be meeting them a short time later for questions and drinks.

HON. MEMBERS: Hear, hear!

GOVERNMENT MOTIONS

ADJOURNED DEBATES

Crow's Nest Rate (continued)

MR. MINER: — Thank you, Mr. Speaker. I have been listening to the debate on the crow for a considerable length of time in this House, and I believe there have been lots of wise words issued to the people of Saskatchewan by this Legislative Assembly, and a lot of information has been disseminated. I, too, would like to add a few words because I think there are some areas that have not yet been touched upon.

Mr. Speaker, February 8, 1982, could be referred to as Black Monday for the people of

Saskatchewan, because that's the day that Pepin chose to announce that it was his full intention to change the statutory crowrate - a statute that has been enjoyed by western Canadians, deserved by western Canadians, bought and paid for by western Canadians, and that allows farmers to ship their grain to seaport at a preferred freight rate.

There is a long history of how that rate came into being, and of the struggle of western Canadians to get it securely fixed in statute, which they succeeded in doing in 1925. I don't intend to go into that long history, because it has been touched upon on a number of occasions.

It is interesting to note that the rate and the agreement have been examined on numerous occasions by the federal government since it was brought in in 1925. As late as 1967, the MacPherson royal commission to the Parliament of Canada reaffirmed that the rate should stand, that compensation should be paid to the railroads for the losses that they claim to have incurred while hauling grain on branch lines and, further, that a detailed procedure should be outlined to assess the need for abandonment of any branch lines and be provided to the Canadian Transport Commission.

Now, let me repeat that, Mr. Speaker. In 1967, the MacPherson royal commission said, "Compensation should be paid to the railroads." Why, Mr. Speaker, to the railways? That's not what the railways want; that's not what Pepin wants. And if that is what Pepin wants, why didn't he incorporate it into his February 8, 1982 release? That is clearly not what Prime Minister Trudeau wants. I think that just last week he gave us lots of evidence. Pardon me, within the last five days, he gave us evidence that he could live with payments to the farmers, but he preferred that they go to the railroad. Why would he do that? What's the problem down there in Ottawa? Well, the problem is that they don't understand anything about western Canada.

Just let me quote one quote from the Prime Minister, which I believe will show you quite clearly that he has absolutely no knowledge of how agriculture works in western Canada. When the students jeered him when he said that they should change the crowrate, he said, "Why should the grain farmers be the only ones to be protected?" He said that they had been paid quite a bit of money over the last 10 years, and they had made a lot of money over the last 10 years. They jeered him again. He said, "No? Then why is an acre of farmland selling way above market price? Why are the farmers trying to buy so much land if they think it's such a lousy profession?"

Well, Mr. Speaker, he doesn't seem to understand that the farmers have been struggling for survival. They have been following the march or the tune beaten out by Ottawa for a very long period of time - that you needed to expand in order to survive, that you needed to utilize large machinery, cut down on your man-hours. You have to get into that principle of huge volumes and small profits per unit. Well, they got there. They got their point of huge volumes, got to the point of small profits per unit and still they are on the verge of bankruptcy. They are facing yet another crisis with the high interest rates and the high cost of fuel and the high cost of fertilizer, most of which are responsible to policies directly related to the federal government.

Now I'd like to note that Jean-Luc Pepin, despite the fact that he has brought in this proposal to change the Crow's Nest agreement, is not the originator of that agreement. There have been proposals to alter the agreement in the past. I've already pointed out that that agreement was bought and paid for by western Canadians. Some of my colleagues pointed out on a number of occasions the manner in which that came

about.

But, Mr. Speaker, for farmers to adequately compensate the railroads, based on the railroads' figures, that rate would have to rise dramatically. Further, the statement assumes that the railroads are indeed suffering as a result of hauling grain, especially on branch lines, or that indeed the overall operation of the railroad deserves compensation. I think my colleagues in the past have pointed out, both in press releases to the Saskatchewan people and to this Legislative Assembly, that indeed that is not the case, that indeed, they have huge profits. Let me point out some of them, because I believe that that's an assumption that has never been adequately proven to me, and quite clearly one for which there is a great deal of argument in existence in western Canada.

Let me give you one example: Ted Brady, president of SUMA (Saskatchewan Urban Municipalities' Association) told the delegates of the SARM (Saskatchewan Association of Rural Municipalities) that the executive of SUMA feels that the crow should be retained until compelling arguments for change have been advanced. Brady said he still has not seen any. I agree with him.

The railroads appear to be having a better hearing from our federal government than have Saskatchewan farmers. It is the plight of the railroads, founded or unfounded, that has been listened to by Ottawa, and not the plight of our farmers. It is worthy to note that Pepin has bypassed provincial government's in the hearings set up by Dr. Clay Gilson. Interestingly, that's another doctor-economist. That was not by accident, Mr. Speaker, because Pepin knows that the strongest opposition put forward to change has been launched by this government and by our minister, the Hon. Gordon MacMurchy.

Since February 8, 1982, there has been a great deal of opposition generated in Saskatchewan to the proposed changes by Pepin. The program brought forward by Pepin on February 1, 1982, has come to be known, as my colleague for Quill Lakes pointed out, as the Pepin plan.

Since there is so much opposition to it, and since there is such strong resistance by farmers, by businessmen, by communities that will be affected (and that includes all communities in Saskatchewan), then there must be something wrong with it.

I'd like to take a few minutes to point out some of the weaknesses in the Pepin plan, and to talk about some of the reasons why that strong resistance in western Canada is both justified and indeed necessary.

First of all, I've already stated that Mr. Pepin made an assumption, and I believe that his whole proposal is based on some assumptions with which I do not necessarily agree. It is based on the assumption, for instance, that railroads must have help to find the money needed to meet the massive demands for capital, for capital investment that will be required to expand the capacity of the railroads through double tracking, through tunnels, through bridges, and through all the necessary construction required to increase the rail capacity, particularly through the mountains.

Now, Mr. Speaker, consider the past. The railroads, when they were asked if they were interested in building a railroad across this country, went to the Government of Canada, at that time, John A. Macdonald, and they said, "We don't have the money; we'd love to do the job. We know how; we have all the skills; we have all the materials; but we just don't have the money. Can you help us with the money?" And the government helped out with massive grants of money and land to assure their income

long into the future. And what did the railways get in return? They got a preferred rate for settlers effects to western Canada and a preferred rate for grain shipped or products shipped to the Lakehead. That was, as you already know, later expanded to go beyond and include the Crow's Nest rate, which covered grain shipped to the West Coast.

Mr. Pepin said in his policy statement that there would be \$13 billion of investment needed for the western part of the system, \$17 billion in total. Now I don't argue that there will be large amounts of money necessary in order to increase the rail capacity. And I don't argue that it would require \$13 billion; I do argue that it is not necessarily true that that expansion should come out of the pockets of western farmers and be transferred directly into the pockets of the railroad companies. And that's what the proposal is, Mr. Speaker. It's also true, Mr. Speaker, that bulk exports through the mountains and the West Coast have expanded dramatically, and it is also true that they are likely to continue to expand. But what is not true is that grain is the major contributor to that expansion. Indeed, coal is the major contributor to the need for expansion and the Canadian Pacific, owners of Fording Coal Ltd., is one of the major contributors to the need for that expansion. It is in its self-interest that someone else should pay the money, rather than the company it already owns. It is also true that costs have increased, but so have the revenues that the Canadian Pacific receives from its vast resources of minerals and land. And it received those vast resources in the original agreement for which we received the compensating low rate.

There was a \$583 million profit, according to the *Financial Post* of June 1981, in 1980 alone from the Canadian Pacific complex. So it seems to me that it is indeed a myth that the railroad companies have a crying need for access to more capital than they can generate through their own resources.

The Pepin plan is based on the assumption that more capital must be generated from western Canadian farmers or expansion will not take place. I simply do not believe that that is a correct assumption for anyone to have made and certainly not a correct assumption for the federal government to make. Nobody can convince me that Fording Coal Ltd. is not going to allow the company that it partially owns, in this family of corporations - not Crown corporations; they should be Crown because we bought and paid for them to put an expanded capacity through the mountains. That simply is unreasonable for anyone to suggest and it is not practical for the Canadian Pacific to allow it to happen. And neither do I believe that it does not have the resources within its own financial capacity.

So that is, Mr. Speaker, an assumption that the federal government has made and I don't think it evens it. It thinks it's a good argument for western Canada, but we are not buying it either.

The Pepin plan also appears to be based on an assumption that there's a great deal of support in western Canada for this proposal to change the statutory crowrate. Now I believe the evidence to the contrary is legion and is growing. Witness the meetings held by our Minister of Agriculture, Gordon MacMurchy, throughout Saskatchewan and the vast numbers of people who appeared at those meetings, expressing concern that their very economic well-being is jeopardized by the Pepin plan.

Once again, Mr. Speaker, it is important to point out that this Pepin plan is a creation of the federal government and I think there is a very good reason why it is being created by the federal government. They want to extract as much wealth from western Canada as they possibly can and put it back into circulation in an area where they believe the

country is economically depressed. And it is! It's economically depressed because of the bad management of the Tory government in Ontario and the bad management of the Liberal and Tory governments in Ottawa and it's not economically depressed here because of the good management of the New Democratic governments and the CCF governments of Saskatchewan. So there isn't any doubt they have a need - none at all. They have a need to get hold of additional capital because they're incapable of managing that which they have at their disposal.

I think that the people in Saskatchewan, particularly the farmers in Saskatchewan, are going to show Mr. Pepin that his assumptions are ill-founded - that there is no support in western Canada, or a very, very small amount of support in western Canada, for change to the statutory rates.

I'd like to point out, Mr. Speaker, that when they talk about the crow, Mr. Pepin has on occasion, and the opposition has referred to it on occasion (not lately but in days gone by), they suggest that indeed the pool had put its support behind Mr. Pepin's proposal. Not so. I'd like to quote to you some of the statements that are made in the *News-Optimist* of North Battleford, March 9, 1982, in an advertisement paid for by the Saskatchewan Wheat Pool under its pool view program. There are seven points, and of those seven points I'd like to point out just two or three.

The government guarantee of railroad performance is one of the points that they insist upon. That the government money be paid to the railroads and not the farmers is a second point. Another is that there should be no loopholes that would let your neighbor pay less than you would for shipping the same amount of grain. I'll end with their proposal there should be no change in the existing statutory crowrate, and an extension of that rate to other grains.

Now, Mr. Speaker, the members opposite have been trying to convince us, and trying to convince the people of Saskatchewan, that they, too, stand solidly in support of the crow. They've been attempting to convince us that that's not a new position for them - that that's one they have long stood for. And yet you hear contradictory statements emanating from the opposition, as in this very debate. In this particular debate the member for Thunder Creek said that the New Democratic Party . . .Oops, that's the wrong one. He said that our system is simply inefficient. He went on to say that the farmers would be quite prepared to haul their grain 10 to 15 or 25 or even 100 miles.

Now, Mr. Speaker, he simply hasn't spent any time calculating the cost to the farmer, the cost to Saskatchewan, and the loss of income from this region that would be transferred directly out of this province in the event that the Pepin plan is implemented. Yet having made those statements, he stands up and says he's opposed to the Pepin plan.

One of the things that we are in opposition to about the Pepin plan is the variable rates. The variable rates clearly is one of the things that the Saskatchewan Wheat Pool is opposed to - a position it has long held and never wavered from. Why are we opposed to the variable rates? I think my colleague from Redberry demonstrated quite clearly why we're opposed to the variable rates. We firmly believe that it will mean the loss of many communities in Saskatchewan and it will result in millions, indeed billions, of dollars (the calculations are as much as \$4 billion) of cost to the province of Saskatchewan for the replacement of the roads where the rail lines currently exist.

So I think there is no question that it is in the interest of Saskatchewan people to

oppose this plan on that basis alone, to say nothing of the things that I have already pointed out. And, I believe, as I have already pointed out, that the farmers of Saskatchewan are going to let Mr. Pepin know that they agree with us, that they agree that those changes should not be made, that we cannot afford it and that there is not support for it.

The proposal to put forward the Pepin plan has yet another assumption. This assumption is that the subsidy paid under this program is an unfair transportation subsidy. The Pepin plan is based on the assumption that the farmers of western Canada are the sole or major beneficiaries of such a plan, and I simply do not agree with that assumption. All of Canada benefits. Grain has long held a position of prominence in its ability to generate foreign exchange dollars for Canada, and it is likely that grain will continue to be a major contributor to Canada's ability to balance its foreign exchange payments. As well, every community in Saskatchewan benefits directly from the statutory agreement and every province in Canada benefits indirectly as a result of its participation in manufacturing and producing the goods that are purchased with these farm dollars.

Since all Canadians benefit from the multiplier effect of these farm-spent dollars, I would think it would be only fair to look at the comparisons of public subsidies in various other forms of transport in Canada today. Well, Mr. Speaker, for example, rail transport has about 30 per cent public subsidy and 70 per cent of the revenue generated by the user, compared to air transport, with about 70 per cent public subsidy and 31 per cent generated by the user. Road transport has about 36 per cent subsidy, with 64 per cent generated by the user, and in marine transport there is a whopping big 80 per cent public subsidy, with 20 per cent generated by the user. How in the world could Mr. Pepin or Mr. Trudeau on March 20 in Saskatoon have come to the conclusion that it is an unfair subsidy?

Trudeau said that he doesn't believe the grain farmer should be put in the privileged position among producers of never having to pay more for transportation. "We have to open our minds to the reality that there should be no taboo subject in Canada." Now, that tells us a lot of things about Mr. Trudeau's thinking. One of the things that it tells us is that even if we get another statutory rate, even if we do get them to finally agree that that rate should be fixed and never changed, it wouldn't matter whether it was a little bit higher or a little bit lower, as it applies to this particular principle, because Trudeau doesn't believe that there are any subjects that are taboo and that shouldn't be touched. He does not believe that you should have an agreement that will be an agreement in a particular deal into all time. And I say to Mr. Trudeau, and I say to Mr. Pepin, that I'm not opposed to looking at this entire question, but let's look at all of the sides of it. And if you're going to open the subject, open the subject of where did the money for the land go; where did the money for the transportation subsidy go; where did the money for the minerals that they received go; where in the world did all the money come from that built up the CP complex by which they made \$583 million in 1980 alone in profit after taxes?

So, Mr. Speaker, once again, Mr. Pepin has introduced this particular program based on yet another false assumption, yet another myth. In a statement by Mr. Pepin on that fateful date of February 8 he seems to have assumed that the railways will both accept the responsibility with regard to this transportation of produce and that they will agree to the proposal put forward by him. I have heard absolutely no such suggestion that the railroads will be prepared to etch their mark in stone forever to such an agreement, to

be preserved and relied upon by Canadians and by farmers in Saskatchewan. Once again, point to the attitude of the Prime Minister, who says, "We have to open our minds to the reality that there shall be no taboo subject in Canada." In other words, he's telling us, "You can't count on this agreement long into the future because I believe it should be changed as conditions change." I do not agree, and if the conditions should change and the agreement should change, then all parts of it must be changed.

One could argue that the federal government has the power to be able to enforce this performance by the railroads that I referred to just a minute ago. I don't think that that is a safe assumption either, because if you examine the federal Railway Act, you find that they now have the power to require the railroads to transport the grain to market, and it has been argued by many that they have failed to do this. The federal government has failed to use its power to force the railroads to haul and the railroads have failed to haul.

Where was the federal government, for instance, when it came time to force the railways to bring back the boxcars that were rented to rail companies in the United States and put them into the grain car fleet? Where was the federal government when the time came to force the railroads to repair their own boxcars and get them back into the grain car fleet? Why was it necessary for the farmers, the governments of Saskatchewan, or Alberta, and of Canada to buy hopper cars and add them to the grain car fleet? They only had to do it in order to be able to transport their grain to the West Coast and to the Lakehead because the railroads failed to haul the grain under the agreement, and because the federal government failed to compel them to do so.

So, when Mr. Pepin refers to the safeguards that he is going to build into this agreement, what reason is there that western Canadians should put any faith or any stock into the assumption that they will agree long into the future to live up to the terms of that agreement?

That's another assumption, Mr. Speaker. There are very few hard facts to support it. In making his announcement, Jean-Luc Pepin stated that to change the 85-year-old agreement was an easy decision. He said, "I had no choice and it had to be done." He based that on the assumption that it was the only way that it could possibly have been done, and that it was the best way for it to be done. Again, Mr. Speaker, let me refer to a position that Saskatchewan put forward and let me talk briefly about the Saskatchewan Grain Car Corporation - that is, a public equity position in the rail network, one for which specific performance must be met by the railroads, or, as a penalty the agreement has a cancellation clause within it.

That's the only way we're ever going to be able to get the CP and the CN, for that matter (although the CN is a slightly easier railroad to deal with and has a different mandate for performance than does the CP), to haul the grain with assurance that indeed performance will be guaranteed, as Pepin suggested it will be in this agreement, along with the necessary investment. It's pretty clear that we have to change that way, that we have to follow this public investment proposal, because the old ways simply didn't work. They didn't work in 1897; they didn't work in 1901 and 1905. They didn't work right up until today. It's clear that if the public of Canada is going to have control over the railroads those railroads must be owned by the public. That suggests, as I've already pointed out, a public investment policy. The federal government has no such policy, and despite the fact that we proposed one to them they simply refused to examine it as the only reasonable policy for Canadians to follow. That, of course, is assuming that you must make any changes in the first place, an argument with which I do not necessarily agree, and for which there is insufficient supporting evidence.

Now let's assume that in order to be able to get the grain to market, as well as the coal and the potash and the sulphur, it would be necessary for the public to make a greater investment in the rail system. It's not necessarily safe to follow the old pattern of guarantees, as I've already pointed out, because I can see no reason and no evidence that the railroads would be prepared to live up to such an agreement or that the federal government would be prepared to force them to do so. If there is a need for additional investment in the rail system, we need and we must move toward a public investment policy such as the proposal put forward by Saskatchewan. It is clearly a superior solution to the one brought forward by Jean-Luc Pepin on February 8.

So, Mr. Speaker, I suggest that the Pepin plan is a plan totally based on assumptions, totally based on trust, totally based on an entirely false set of guidelines. We in western Canada don't agree with the guidelines or with the assumptions, and have no reason to either put our trust in them or to assume that there is basic logic behind the introduction of the plan.

We have no choice but to oppose the proposal. We should oppose it with all of our strength and with all of our resources. We have an obligation to produce a firmer contract than that which we have ever enjoyed in the past, and we have an obligation to assure that the statute which now protects the western Canadian farmers remains intact, supplemented by other programs that can accomplish the goal of transporting the necessary quantity of their product through the mountain regions to the West Coast and to the Lakehead. That can be done.

The plan put forward by Jean-Luc Pepin is unnecessary. It is inadequate, totally unacceptable to Saskatchewan farmers and indeed to all Saskatchewan people. It's clearly unacceptable, and we've demonstrated it over and over again to the members on this side of the House. We have said so and documented that evidence.

But what about the members on the opposite side of the House? As I already pointed out, they say they are in favor of it, yet all they can do is stand up and say, "Trust me," as the member for Arm River said, "Trust me. I believe in the crowrate. I believe in retention of it." The member for Rosthern has about a three-minute speech in which he says, "I support the crowrate." The member for Moosomin informed me one day that he too is in favor of a statutory rate. He didn't seem to understand that there is a distinct difference between a statutory rate and the crowrate that we have in existence today.

Mr. Speaker, there are an awful lot of reasons why we should have this debate in this Legislative Assembly. There are a lot of reasons why the Saskatchewan people should have access to all of the information that they can get their hands on in order to be able to bolster themselves against this onslaught from the federal government, and they can look to some rather unusual sources for backup. For instance, in the March issue of *The Country Guide*, the editorial said that there is one certain result of ending the statutory Crow's Nest grain rate and it is that the prairie farmers will pay more whenever they ship their grain outside of their region. They have already concluded that it is obvious the farmers are going to pay more. We don't know how much more. We can calculate, based on the different assumptions that are put forward by the Pepin plan, but we don't know how much more.

They also go on to say, however, that they believe it is a responsible attitude of the federal government to bring forward the proposed plan and they suggest that you read an article called "A Railway Revolution," which they printed a little later in the paper. I

think Saskatchewan people should look carefully at that article, because that article makes it perfectly clear that in the United States, up until the 1970s, they had a protected or regulated freight rate structure. It was dropped at the encouragement of those people who are up here encouraging the federal government. I'm not even sure that Snively might have been working on the team of the federal government for change, encouraging the grain companies that they would be better off, trying to convince the livestock industry that it would be better off.

They say today that those branch lines are giving way to trucks. That's exactly what we say will happen in Saskatchewan, and people tell us, "Oh, that's not necessarily so." But I think the evidence is very, very clear that in the United States it has happened. Small elevators are being replaced by much larger ones capable of loading 25 to 50-car trains. The cost of freighting a tonne of wheat through export position rises and falls with the general economy and the demand for transportation. Massive investments in terminal elevator facilities are taking place at Gulf and West Coast ports.

What can we expect in Saskatchewan? We have been saying to the people of Saskatchewan that they could expect the branch lines to give way to hauling with trucks, small elevators to be replaced by large ones, the cost of freighting the grain to go up and down depending upon the economics interpreted by the railroads, the demands for the transportation and, in general, whatever the traffic will bear.

I will give you some examples, Mr. Speaker, of the comparative freight rates between Saskatchewan and the United States: Assiniboia, 26 cents per hundredweight under the statutory rate; Carlyle, Montana, \$2.33 per hundredweight - almost 10 times the amount. Yet people say, "How do you know it is going to go to 10? How do you know it won't stay at 5?" We know because an example of the kind of sign system that Mr. Pepin is talking about is in existence in the United States today. It says here that the railroads can also make surcharges on traffic originating or terminating on light-density lines, and they are doing it. The surcharges are ranging up to \$1,000 per car. All of a sudden trucking to an inland terminal looks like a much more attractive alternative.

What have we been saying in our battle to save the branch lines? We have been saying that all they will do is introduce variable rates, and the railroads will cause it to be attractive to haul to the lines that they want you to haul to. And we go further than that. We say that they can even make it attractive to haul to one point or another point on a particular line by varying their rates. Some people say, "Oh, no, that's not likely to happen." I point you to elevators in the United States. I had the opportunity to have a discussion with the manager of a co-operative elevator in north-west Minnesota this summer and he said to me, "I negotiate my rates for freight on a daily basis." He said, "It's based on the volume, the demands on traffic and whatever the railroads want to charge me."

AN HON. MEMBER: — That was his brother, Bill Miner, who told him that.

MR. MINER: — My brother, Bill Miner, has a lot of well-researched facts. He just happens to be working for the wrong crew. That's the whole problem.

Mr. Speaker, I think we should look at what we are facing in the future in massive investments; let me give you an example. We talk about spending money on hopper cars in order to improve our fleet's capacity. Well, building elevators is no cheap exercise either. The farmers' co-operative elevator in Madison, South Dakota, is

building a new 400,000-bushel facility designed especially to load 54-car-unit trains. It will be finished in July. The costs of that elevator . . . I don't have it on that one, pardon me. But I have the comparative costs and they are hundreds of thousands of dollars per elevator. I calculated it a little earlier and I can't put my finger on the figure, but we can buy approximately six or eight hopper cars for the price of one of these elevators. We already have the elevators in place; we already have the capacity to do the job, so there is really no reason why we should follow this model. I think that the hon. member for Last Mountain-Touchwood pointed out, when he spoke on this very issue, that someone who knows a lot more about North Dakota or South Dakota than I, Senator George McGovern, made the statement that if we were going to change our rail system, we should clearly fashion it after almost any other system in the world than that of the one in the United States, because in his judgment and in the judgment of the people in the central plains of the United States, the system does not serve the farmers well, and indeed it is not working.

Mr. Speaker, when the members opposite stand up and say they are in favor of the retention of the crowrate, what evidence have they given to the people of Saskatchewan that that is anything more (as the member for Redberry and I pointed out at a press conference here in Regina) than a political flip-flop, a flim-flam, a con job? There is absolutely no evidence, none whatsoever, to suggest that you can rely upon them to stand up and defend the crow against anyone and everyone who want to battle against it. Let me give you some examples, Mr. Speaker. Who made this statement?

The statutory rate may have unduly discouraged crop diversification and agricultural processing in the West.

Well? That sounds like Devine, but it wasn't. That was Jean-Luc Pepin on February 8. The statement that Devine made in July 1978 was:

Lower freight rates on grain may have slowed the process of crop development and diversification and reduced the development of a food processing industry on the Prairies.

Now, how can you tell the difference between those statements? You can go through statement after statement, and it is the same. Pepin is saying, 'We don't need change and these are the reasons.' Devine is saying, "We don't need changes, but I agree with his reasons." The members opposite are saying, "We support the retention of the crow." But, they don't give any evidence to suggest that they even know the difference between a statutory crowrate and that big black bird which flies south every fall and north every spring.

Mr. Speaker, we have heard in this House, and in this debate, that we know (so we are told) that if only the Tories were in government in Ottawa, this would never have happened. We wouldn't be battling this issue at all. Well, let's take a look at the views of other Tories across this country. We have already heard Herb Swan, the member for Rosetown-Elrose; we have heard the member for Souris-Cannington, and some quotes from the member for Thunder Creek. We have already heard some of those quotes, so I won't repeat them, but I will quote some other Tories across western Canada, including Mr. Don Mazankowski who was the minister in charge of transportation under that short-lived PC government in Ottawa.

Murta for instance, said on February 12, 1982, that he favors changing the crow and

that he supports the government's position because the issue has been debated long enough. That sounds like a real strong defender of retention of the crowrate to me. That sounds like he has every intention of supporting changes, has absolutely no intention of putting up a battle to save the statutory crowrate, and simply does not stand on the same side in this issue as most of the farmers in western Canada and the members on this side of this House.

Mr. Horner, who held an Alberta cabinet portfolio in agriculture, transportation and economic development before serving as grain transportation co-ordinator under the Clark and Trudeau governments, condemned grain producers who insist on sticking with the Crow's Nest rate for shipping grain by rail to export points. "That's not a solution," he said. That was in the Saskatoon *Star-Phoenix* on January 8, 1981. What did we hear in this House just the other day? We heard exactly the same line. "It's not really a solution, but we support it because the farmers can't afford it. We support it because this is not the right time to bring it in; we support it because it's going to cost the farmers a lot of money." Their policy does not effectively accomplish the job that we want accomplished in terms of a transportation policy for Canada, a transportation policy that builds a rail network that has the capacity to be able to move the grain to the West Coast, store it while it is being sold, and one that, quite frankly, acts or functions all year round.

It's interesting to note, Mr. Speaker, that in this article in the *Country Guide* they point out that the new system in the United States has the capacity to move the crop almost immediately. What an incredibly inefficient proposal! To be able to move the crop almost immediately means that you have to have sufficient storage capacity somewhere off the farm, or else you have to be able to sell it on the world markets within a very short span of time. Everyone who thinks about it seriously should recognize that this grain is not consumed in only a couple of months of the year, and that the countries that buy it do not have storage capacity. Japan buys on a daily or at the most on a weekly basis from markets of the world, and buys on a competitive market. It therefore has to be assured of supply, and relies upon the supplying country or the supplying area to supply the storage. Australia supplies it; Argentina supplies it; it appears that the United States is going to supply it in the form of increased elevator and terminal capacity. And Canada has the system to provide that storage capacity right now. We must be competitive on the world market; we must be competitive internationally with all of those countries. So look at the transportation subsidy that we are receiving, for example. Despite the fact that the U.S. has some extremely high freight rates, it also has Missouri and Mississippi shipping - water-freighting corridors that offer clear transportation advantages, bought and paid for by the military of the United States.

So it is not true that this is an unfair transportation subsidy. It is not true that the Tories even had demonstrated on one occasion that they stand solidly behind the crow. They stand behind it because they know it's a politically popular position to be in in this particular year. They stand behind it because they know the farmers of Saskatchewan want to retain the crowrate, and they stand behind it not at all because they know the background or understand the reasons why we, having bought and paid for this system, are entitled to the statutory crowrate long into the future. It is clear that we must give the people of Saskatchewan the evidence that they need because this government, the Manitoba government and the Alberta government have been locked out of discussions, by design, by Mr. Pepin. He has made it clear that he wants to talk only to the farm organizations, because he believes they have been fragmented, and he thinks he can win.

If he did not think he could win this argument he would not have introduced it, and if he did not believe the farm organizations were partially fragmented, he would never have introduced it either. I think he is going to find out that as it applies to Saskatchewan, very likely to Manitoba and hopefully to Alberta, that the farmers of western Canada and the businessmen of western Canada will fight it, and the governments will assist them in the manner we are doing in this House - attempting to give them the information that they need, the ammunition they need through their own organizations to be able to present solid arguments in favor of the retention of the statutory crowrate, and for the defeat of the Pepin plan.

I guess, Mr. Speaker, what it really amounts to is a matter of leadership. Should the Saskatchewan people follow those individuals who profess to lead them all over the place, in four or five directions all at the same time, depending on who the particular individual happens to be who is in the leadership position? Or should they choose leaders who say, "We made up our minds on the basis of principle a long time ago; we will not give in"? Of course, they should follow the leaders who are based on principle, who have solidly stood for a singular position and have good, solid reasons for doing so.

Who would that be? Professor Devine? No, I think not. The member for Thunder Creek? Hardly. There is not much reason to follow him because he, in one debate, went two different directions at the same time saying, "I believe in the retention of the crow; we can't change it. At the same time I think farmers will be quite prepared to pay much more money, and it wouldn't hurt them all that much." You can't win arguments by providing the opposition to the argument with the ammunition it needs. And if you read the comparisons I quoted to you, look them over and compare them, you will find that Jean-Luc Pepin is saying exactly the same thing as Professor Devine. He's using slightly different words. Consequently, the leader in the fight clearly has to be the Hon. Gordon MacMurchy, Minister of Agriculture for the Government of Saskatchewan, member of this legislature, New Democrat.

SOME HON. MEMBERS: Hear, hear!

MR. SKOBERG: — Well, Mr. Speaker, I'm certain that those opposite wouldn't want to see me leave this House without speaking on the crow, and I would feel somewhat disappointed if I didn't put on the record exactly what the elimination of the crow and the Pepin program would mean, if in fact it ever comes to pass, to the constituency of Moose Jaw and exactly how it affects the community's economy in that particular area.

But, first of all, it's rather interesting to remember the years that I spent as a federal member of parliament canvassing and travelling about the constituency of Moose Jaw Federal. When I listened to the Conservatives in those days talk about the elimination of the crow, I heard them say that the Canadian Wheat Board should go, that we should have an open market and that everything would be just fine. And now today, somewhere in this province at least, we're hearing those opposite attempt to put on record their support for the crow and the fact that it should be written in law and enshrined in the statutes. I'm sure that they may be able to fool a few of the people, but the majority of the people out there are really not going to listen to nor accept what they are seeing here in this legislature from those in the Conservative ranks.

When one looks at the hon. member for Arm River, as an example, and realizes what he has said and what he still does believe in, and realizes that he comes from one of the areas where the Palliser people are very, very strong, where they do not believe in the

Canadian Wheat Board, where really they thought the LIFT (Lower Inventory for Tomorrow) program was an excellent proposition, where they are really not interested in any guarantee of return for the producer, then one must wonder whether the hon. member for Arm River was sincere when he stood in this House and indicated what he did.

Of course, one doesn't have to look very far. I look a short distance to the west of the Moose Jaw constituency and Moose Jaw city to the Thunder Creek constituency. The hon. member for it stands in this House and with tongue in cheek says he supports the crow. I don't think one would have to go back very far in some of the clippings in the papers, over the last number of years to find out that the hon. member for Thunder Creek is not interested in the crow. He's not interested in any type of guaranteed income for the producer. He's not interested at all whether or not the crow should be enshrined in law in the statutes of Canada. Really, what he is more interested in is trying to get re-elected, if in fact he runs in that constituency, on the basis of supporting the crow.

I think the hon. member for Thunder Creek will find out that the member from the New Democratic Party who is running in Central Butte at this time understands what the crow is all about. He will find out that the people in Thunder Creek appreciate and support the crowrate and will be out voting when that time comes some time this year.

I'm sure that each and every one of us, Mr. Speaker, has appreciated the efforts that have been put into this debate. We have appreciated the fact that the Hon. Minister of Agriculture has travelled about this country with many of his colleagues, explaining to the farming community, explaining to the communities both small and large, what the loss of the crow will really mean.

As I look at the actual figures that would result in the loss of the crow, I use the city of Moose Jaw as a whole. Right at this particular time, if the crow were to go and if we were able to believe Mr. Pepin, then we would have to accept the fact it would at least be three times the crow. That's just a minimum that Jean-Luc would start at this time. The lost farm income in Moose Jaw would be \$1,481,549. The lost investment for the city of Moose Jaw would be \$770,405. The lost retail sales (I'm sure this should concern not only our side, but also those opposite; I have some hesitation to suggest it does concern those opposite) would amount to \$562,988. The complete community economic loss amounts to \$1,333,394. In fact, then, that results in lost jobs of approximately 12.2.

If we then go to what invariably will happen if Pepin has his way, and in fact if the Liberals have their way in Ottawa supported mainly by most of the Conservatives, if you go to five times the crow, you see that the lost farm income (and I'm talking about Moose Jaw, for the benefit of the hon. member for Kindersley) is \$2,963,099. The lost investment in the city of Moose Jaw, hon. member for Kindersley, is \$1,540,811. If we look at the lost retail sales in the city of Moose Jaw, using five times the crow, we have \$1,125,977. When you really look at the complete community economic loss, it is \$2,666,789, with a potential loss of over 24 job positions.

Now I'm suggesting to those opposite, Mr. Speaker, that they are well aware of the fact that a city of approximately 34,000 cannot afford to lose that type of economic loss and retail sales that I've just mentioned.

Then, if we really go down to the bottom line and use 20 times the crow, and there's no doubt in my mind whatsoever that if Jean-Luc and his people in Ottawa have their way you will see 20 times the crow, you'll see, for a start, that the lost farm income will be \$14,074,721. The lost investment for the city of Moose Jaw alone would be \$7,318,855. Then, if you look at the lost retail sales, which those merchants in Moose Jaw can't afford to absorb, there will be a loss of \$5,348,394. A complete community economic loss would run at \$12,667,249 with a potential loss of 115 jobs in that city alone. Now I suggest, Mr. Speaker, that we look at the 1980 retail sales estimate in the city of Moose Jaw. We have \$182,800,000 in retail sales in Moose Jaw for this time. You compare that to 20 times the crow and you have lost retail sales of over \$5 million, almost \$5.5 million.

Now, I might suggest that those people opposite should really participate in this debate. Surely they must realize that if they are interested in trying to keep the crowrate secure, the law of the land and in the statutes, they must recognize the fact that every effort must be undertaken in this House to have that come about.

Now, when I take a look at what the Hon. Minister of Transport at the federal level has done in the past, I use as a good analogy VIA Rail. Everyone here is well-aware of what Jean-Luc Pepin did to VIA Rail. The mistake that was made when VIA Rail was set up as a Crown corporation was that it was not enshrined in the statutes. And I am sure that the hon. member for Kindersley would agree with me 100 per cent. He knows and I know and this House knows and the people of western Canada know that that should have been enshrined in the law of the land so that the politicians in Ottawa could not grab hold of it and do away with it.

There is no question in our minds whatsoever that if they are able to do to crow what they did to VIA, exactly the same thing will happen. We will see 20 times or 30 times the crowrate. We'll see no consideration for any type of organization whatsoever as far as what Jean-Luc and his Liberal friends and many of the Conservatives federally now believe in.

There is no doubt at all that if the railways themselves were obligated in the VIA Rail operation to really divulge their actual cost of operation to VIA Rail, then VIA Rail would know what the cost would be to operate that particular service across Canada. For example, at this time there is no obligation on the part of the railway companies, either CN or CP, to divulge to VIA the actual cost of the maintenance that the Ogden shops in Calgary undertake - and a great amount of the equipment is repaired there. The upkeep is performed at Ogden and the majority of that cost is charged to VIA Rail. Now, I suggest that exactly the same thing will happen with the crowrate. If the crow is taken out of the law of the land, out of the statutes, we can expect exactly the same type of situation.

Another simple example is that the Government of Canada had hearings throughout Canada and came up with a final plan for rail passenger transportation in this country - it called it the final plan. Now we are hearing Jean-Luc say that nothing will happen as far as the crowrate is concerned. We hear Jean-Luc suggest that there is no doubt at all that that plan for the crowrate will not affect the farmer in the long run. I suggest that just as a final plan for transcontinental service in Canada was done away with, they will do away with any form of commitment at this time that the crowrate will remain at all. We suggest that it remain at this particular moment in history.

Really, it's difficult, Mr. Speaker, to try to understand how anyone, how any politician of

any political party, could possibly stand in his place, either provincially or federally, and say that what Jean-Luc Pepin is suggesting is a good thing for the farming community and a good thing for the West, because we know differently.

Another point that bothers me somewhat, Mr. Deputy Speaker, is that I do hear a lot about the Canadian Pacific and the obligation it has to this country. There is no question about that whatsoever, but the thing that really bothers me is that very little is being said about the Crown corporation called Canadian National. And, really, if we look at the material in the newspaper, we see that we have people in that area who are more militant than some of those in the public relations at Canadian Pacific.

That doesn't let the CP off the hook and anyone here well realizes the obligation that the CP had when that line went through to the West Coast. But I really do believe, Mr. Deputy Speaker, that at this time they should renationalize the Canadian National. We should make certain that the CN also provides a service to the people of this country which they were set up to do, and that is not happening at this particular moment.

It's rather interesting to note that right today either one of the CP or CN lines can move grain if they have the will to do it. The unit system of movement of grain is well recognized, not only in this country, but also in any other country that moves grain of that nature.

The crews are available, the manpower is available, and the capabilities are available to move that grain as quickly as possible to the West Coast or to Thunder Bay or, in fact, through to Montreal or wherever it may be. There's not a doubt in the world for those who may be interested at some time to go down to the station here in Regina and see the unit trains going through this station and through this yard on up the hill to McLean with about 150 cars moving grain in whatever direction you want to move it. The same thing happens out of Moose Jaw west - that grain is being moved.

It is also interesting, Mr. Deputy Speaker, to realize that we have a sizeable movement of grain - I don't know what it is right now; I just haven't been back on the road for the last month or two - coming up from the Soo Line pulled by Canadian Pacific diesel units that should be used in moving Canadian grain. That Soo Line grain is coming up through Portal, North Portal, through Moose Jaw and west to Kingsgate and, of course, you can visualize the type of return that the Canadian Pacific is receiving from moving Soo Line grain instead of Canadian Pacific grain. And I think it's very, very necessary when we hear Jean-Luc Pepin talk about having a transportation system that he be asked why he doesn't look after the transportation system here in Canada in such a way that we can move our goods and services and, in fact, our people, from coast to coast.

Mr. Deputy Speaker, I refer to a point I made a little while ago, and that is when those people opposite, naturally the Conservatives, supported the LIFT (Lower Inventory for Tomorrow) program, they thought it was probably the best thing that ever struck western Canada. They supported it in the House of Commons and, while I wasn't here, I'll dare say they probably supported it here, and did support it at that time if they were around, and would more than likely support it at this time. I would like to suggest that the Jean-Luc program is exactly the same as the LIFT program. It's a program that will do the worse for western Canada.

And the hon. member for Regina South probably isn't aware of Jean-Luc because he's one of the same; there is no difference between Conservatives and Liberals at any time. So I am certain that if he understood the Hon. Minister Jean-Luc Pepin, then he would

understand exactly the thinking behind that individual. Any federal minister who can decimate a transportation system, as that minister did to VIA Rail - decimate it to the extent that the people of the northern part of the province have no service whatsoever - is quite capable of decimating the movement of grain to the East or to the West Coast. And I'm sure that even the hon. member for Regina South, as your official critic for the opposition, the finance critic, will understand that.

Mr. Deputy Speaker, I'm sure the points that have been made in this House, particularly those points made by all the members on this side of the House, have been well taken. I'm sure that each and every one of the members who has stood and spoken in his place has done so sincerely believing that his contribution will mean something in the long haul in trying to reverse the federal government's position. We heard the other day, and I believe it's correct, that the Hon. Prime Minister was in town. I don't think there is much question about it; he received a message and it was well put. The message he received was that western Canada will not stand still and allow the decimation of the crowrate.

There is no doubt whatsoever that when you look at the amount of money being spent in the transportation system - whether it be highway, rail, seaway, whatever it might be, and particularly air (that's the greatest spender of public funds) - then the only interest that the Ottawa people have, and those east of Ottawa in the Golden Triangle particularly, is in the maintenance of air traffic, and they forget all about rail passenger service.

I'm suggesting that there is no good excuse for the federal government not to provide money for double tracking for both the CN and CP through the mountains. I see no good reason why they can spend that amount of money on Mirabel, spend that money in that area on the seaway (which is necessary and I support that type of expenditure), but at the same time they cannot try to build up our rail passenger service and our rail freight service across Canada from coast to coast. It seems to me that somewhere along the line there is a very misguided approach by the Hon. Jean-Luc. And I can assure that that message is probably being well heard by that individual.

I would like to suggest, Mr. Deputy Speaker, that I'm not certain that the hon. member for Regina South has spoken in this debate. I'm not certain, though he is finance critic for the Conservatives, whether he's really interested in the retail sales loss to the city of Regina. And I wonder a little bit whether the hon. member for Qu'Appelle has spoken in this debate; maybe he doesn't believe it is necessary for those people in Ottawa to realize what's really going on. It appears to me that if silence is a test of truth, then those opposite are certainly living up to their name.

I would think, Mr. Deputy Speaker, that at this time we should try to send that message loud and clear. And I know that the Hon. Minister of Agriculture has done that. We know that the members have spent their time down across the line comparing their system with the system up here. They have done that; they took the time and they paid their own way to try to find out the difference between the American system and our system. There was no question in their minds when they came back that that system down there does not work well. Anyone that has been down in that particular part of the country can see the millions upon millions of dollars spent on concrete roads just to carry the grain trucks; no one has to debate what will happen here in Saskatchewan, Alberta and Manitoba if that comes to pass in those particular provinces.

I would hope that those opposite would put aside their tongue-in-cheek attitude and their thought that this is a hilarious debate on the crow, and realize that it is very, very

important for western agriculture, to say the least. Also, they should realize that the retail merchants in the cities, towns and villages will definitely lose in the long run. I do not have to mention too many points just outside of Moose Jaw to suggest that those towns and those villages will completely come to an end, in fact, if this crowrate program of the Hon. Minister Pepin comes to pass.

Mr. Deputy Speaker, I would like to conclude by saying that I would hope that we do not see a repeat of the VIA Rail situation. I would hope that we leave enshrined in the law of this country the fundamental principle that is the only thing that will protect the farmers. That principle has to be the fixed rate for the movement of grain and the protection of equal rates for equal distance. That principle has to be that the crowrate remains enshrined in the law of the land just the same as VIA Rail should have been enshrined when that Crown corporation was structured. Now we see the situation where we don't know where we're going with rail passenger service; we don't know where we're going with the movement of grain; we don't know where we're going with the cost of moving that grain, and still those opposite have a little hesitation in standing in their places and really being heard. The hon. member for Wilkie, I understand, did speak in this debate on the crow; I am sure that those people in the Wilkie constituency appreciated the words that he did say. I hope that he didn't say them with the tongue in cheek as the hon. member for Thunder Creek did. There is no doubt in my mind that many of those opposite (not all of them) are only speaking in order to try to tell their constituents that they are half-on and half-off. I would like to say that they probably have saddle sores in a good many cases. I am sure also that the people out in the various constituencies will well-know by reading *Hansard* exactly what position is being taken by the Conservatives opposite.

As I've said before, there is absolutely no difference between the Liberals and the Conservatives, except sometimes where one party sits and where the other sits. In this particular House, there's no doubt in my mind, the Conservatives are not supporting the crowrate. The Conservatives are supporting Jean-Luc Pepin.

I would suggest to the hon. member for Regina South that if he would look at the retail sales in this city he would definitely realize that he should be concerned. And I think that the chambers of commerce and the town, village and city councils should be sending resolutions to Ottawa in order to try to stop this plunder of the resources of western Canada.

Mr. Deputy Speaker, I am sure that you and the members of this House will agree that there is some real cause for concern. I believe that you will agree that that cause for concern must exist and that message must go to Ottawa. I believe the Prime Minister did hear the message. I'm not certain that at Delisle the Minister of Transport heard the message. If he didn't he must have been deaf, because the television, the radio and the news media generally were there and they did see the message that was passed on to Jean-Luc.

I would suggest, Mr. Deputy Speaker, that there are probably other members on our side who would like to add their voices to this debate on the Crow. It's sort of a one-sided debate at this particular time, but I would think that *Hansard* will indicate that the sincerity on this side of the House is there. We are concerned when we see the loss in retail sales. We are concerned when we see the loss of job opportunities, and we are concerned when we see the complete decimation of what used to be a good transportation system. We hear the minister say that it will be a better system. The tracks are there, the cars are there, the diesel engines in some cases are there, the

excellent crews are there, and all we need now is a will to move grain. We don't need to change the crowrate just to move grain. It can be done if the will is there and the desire and the instructions are there from the federal government, because, after all, it has that responsibility.

I leave the floor for my next colleague.

MR. MOSTOWAY: — I just don't know what I'm going to be doing at the end of my remarks because it's obvious that the Tories opposite aren't ready to speak on it, that they probably want to stretch it out.

But I do want to go on record because I feel that this debate is important. I feel that the crowrate issue is so important that I want to go down on record as opposing the removal of the crowrate, as suggested by Tories in this House and down in Ottawa. For years and years, Mr. Deputy Speaker, they have been doing that and, in fact, I would venture to say that is they and their colleagues down in Ottawa who really laid the groundwork for the federal Liberal government to do away with the crowrate.

But, Mr. Deputy Speaker, I want to say one thing. Isn't it odd that the CPR was given everything but the kitchen sink when it put its railway through Canada? Mr. Deputy Speaker, who gave everything but the kitchen sink to the CPR? Well, it was a Tory government. You know, it gave CPR all kinds of land on each side of the railway. It gave CPR mineral rights right across the Prairies and, in fact, the CPR still practically owns B.C. I'll tell you that will stop when an NDP government gets elected, which I know will be very shortly. But isn't it odd that it was a Tory government which gave everything to the CPR? And isn't it odd that it was the Tory Party, provincially and federally, which laid the groundwork for the federal Liberals to try to do away with the crow?

Now, Mr. Deputy Speaker, I want to say something in regard to comments that I have heard spoken in this House on many occasions by the members opposite. I can distinctly remember, a few years ago, their suggesting very tactfully that the crowrate would have to go for the benefit of Saskatchewan. That I can well remember . . . (inaudible interjection) . . . Well, there you are, Mr. Deputy Speaker, that fine gentleman there is verifying what I have just said, and you certainly would not question his word. I'm sure none of you would.

I remember the hon. member for Thunder Creek, in all his dour sourness, saying that the crowrate had to go. The hon. member for Moosomin also very sourly said the crowrate would have to go. And I'll tell you one thing; if they didn't say that, I know that that's what they really meant to say.

Mr. Speaker, the other day I happened to be thumbing through *Hansard*, and I saw that one of the members had the gall, the audacity, to suggest that their leader, whose name escapes me right now . . . (inaudible interjection) . . . Yes, Mr. Collver. No, who is the leader? I just forget who it was. He had the gall, the audacity, to suggest - not to suggest, but to state - that he helped Chief Justice Hall write his report on grain handling. Well, what utter nonsense! In fact I'm sure, if the reports that I've heard are correct, that he helped to unwrite it, if I can put it that way. With all his remarks, and the little briefs that he sent in to various jurisdictions, including Chief Justice Hall's, I'm sure that he has helped to bring about this terrible proposal by Pepin and the federal Liberals . . . (inaudible interjection) . . . Yes, the hon. member is right. I can very well remember the Hon. Mr. Mazankowski suggesting that the crowrate would have to go,

that it would sort of loosen things up, kind of put it on an open market basis. And, Mr. Deputy Speaker, why not? Because the Tory thought has always been that those railways need protection because those little farmers are really going to give the CPR and the CNR a rough time, and we have to protect the CNR and the CPR. That was clearly the implication in the Hon. Mr. Mazankowski's suggestions a year or two ago - that the crowrate would eventually have to go.

But, Mr. Deputy Speaker, I want to talk about how the removal of the crowrate, as suggested by the Tories, will affect Saskatoon and area. This gentleman is making me laugh, but it's a very serious topic . . . (inaudible interjection) . . . Yes, kind sir, I want to suggest that it will have terrible repercussions for Saskatoon and area.

I had the pleasure of talking to some businessmen in Saskatoon last weekend, and they see through the Tory proposal which looks as if it is going to be accomplished by the Liberal government. They see the implications there, and they were very concerned how it might affect Saskatoon and area . . . (inaudible interjection) . . . Absolutely, everyone is talking about it in Saskatoon.

Now, I suggest that it means a loss of hundreds of millions of dollars to Saskatoon and area. But would one of them get up, prior to my getting up, and suggest that they wanted to do something about it? No, not one of them. They just sat in their seats. I suggest to you, Mr. Deputy Speaker, that it will have all kinds of repercussions that will not only affect the businessmen of Saskatoon but also other people, the people who provide the various auxiliary services.

I suggest to you that it is going to mean the drying up of communities that this government considers now to be viable and has done something about keeping viable. I suggest that it means a drying up of those communities, and I also suggest that when those communities dry up, a little bit of Saskatoon will dry up.

I suggest that it's really a transfer of payments, directly and indirectly, to the CPR and, to some extent, to the CNR . . .

AN HON. MEMBER: — And to the PC Party.

MR. MOSTOWAY: — And indirectly to the PC Party, yes, I haven't look at the donation list. I don't even want to with the possibility of a provincial election coming up, keeping in mind that the CPR has, in the past, donated thousands and thousands of dollars to the Tories. With a provincial election coming up, I'm afraid to look at the millions that are in store for them - well, maybe not millions, but quite possibly in the hundreds of thousands. I suggest, Mr. Speaker, that there's a method in their madness. I suggest that they are going to be, as a political party, the real benefactors via donations. I have no doubt about that, hon. members . . . (inaudible interjection) . . . Well, I wouldn't want to look at them because I'm sure that they would shock me.

I also want to suggest, Mr. Deputy Speaker, that it is going to play havoc with our roads. We do have the finest road system in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: - That's not open to question. I suggest that if this proposal goes through to scuttle the crowrate it is going to mean the partial ruination of some of our roads.

I suggest that it means all the people of this province are going to have to indirectly subsidize the railways because they own a lot of the trucking fleets that will be carrying this grain.

I suggest that the various machinery companies which are now doing reasonably well in this province in spite of the national inflation (in spite of a national depression, they're doing quite well) are going to face a cut into their operations.

I suggest that that, along with the closing of elevators, is going to be the death of towns, because of the variable rates. We all know that the railways would stoop so low as to charge a much higher rate from one point than from another just to have that rail line abandoned. Would they bother to consider the repercussions? Would they say, "Maybe we should leave the rail line there so that people can have jobs, so that people can congregate in the town halls, can go to pick up their mail, can buy their groceries at the little grocery stores in all these villages?" Well, I suggest that is not the CPR which I know that would do that . . . (inaudible interjection) . . .

Well, I don't really know what Father Devine says about it right now. I suggest that he is quite worried, on the basis of what he has said in the past. I can recall reading pamphlets (incidentally, some tremendously good pamphlets that were circulated just recently) that quoted the leader of the Tory party opposite, Mr. Collver . . . (inaudible interjection) . . . No, he's not your leader any more. But it quoted the Conservative leader and I can tell you one thing; if I read it correctly, that means you fellows are going to be lucky if one or two of you come back after the next provincial election, when and if one is called.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: - Mr. Deputy Speaker, there are other repercussions for Saskatoon and area. It covers; it's going to permeate the whole province. It's just another example of the insensitivity of central Canada. It's the kind of insensitivity that I really never hear Tories speak strongly against . . . (inaudible interjection) . . . Well, I tell you, hon. member it's difficult to tell separatists from Tories.

SOME HON. MEMBERS: Hear, hear!

MR. MOSTOWAY: - I know one thing, Mr. Deputy Speaker: if you looked at the federal Conservative Party, you'd swear to God that they're all separatists, because they're all going their own way trying to stab their leader in the back.

So they have a nice little game that they play and I think we have evidence of that at the provincial level on the part of the . . . (inaudible interjection) . . . Oh, absolutely, I think we've had plenty of evidence to show that that has been the case in the past.

Now, Mr. Speaker, I'm glad to see that you're back. I want to suggest that I will have some more words to say on this at a later date. I would have gladly offered the time that I've spent to a Tory. Not one got up. It seems to me that they don't want to get up and defend the crowrate. I've heard some of them speak, Mr. Speaker, but I detected there wasn't that note of sincerity that was shown on the faces of the members speaking from this side of the House.

I think this should be unanimous - the voting on this. And that's exactly the reason why

I will be saying what I will be saying at the end of my remarks tonight. I just want to call on Conservatives and say, support the government in its proposal to keep the crowrate.

You know, gentlemen opposite, there's nothing wrong with admitting that you have been wrong in the past. The people of Saskatchewan will think better of you if you admit that you have been wrong in the past. Confess, I say, absolutely . . . (inaudible interjection) . . . Mr. Speaker, I can hardly hear myself speak (and I have a reasonably good voice) because that gentleman keeps interrupting. Obviously, he too feels a little embarrassed. I know other members opposite feel embarrassed because they have not stood up in support of the crowrate as they should have in the past.

Now, Mr. Speaker, because I want Tories to get up and state exactly where they stand, I'm going to give them the opportunity the next time that we debate this issue. I beg leave to adjourn debate.

SOME HON. MEMBERS: Hear, hear!

Debate adjourned.

The Assembly adjourned at 8:57 p.m.