

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
February 22, 1983

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. ANDREW: — Mr. Speaker, I would like to introduce to you and to the Assembly, 20 members of the Department of External Affairs, officers in training, who are visiting Saskatchewan. These young folk will go on from here out into the world to represent Canada both in international affairs and in the marketing and promoting of Canada and in that sense of Saskatchewan products. I would like to welcome them to the province of Saskatchewan and to wish them all the best in the future.

HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Thank you, Mr. Speaker. I have a twofold purpose. One is to join my colleague in welcoming the members of external affairs to our legislature.

As well, I want to introduce to you, Mr. Speaker, and through you to the House, about 20 members of the unemployment committee of Regina. They are present today attempting to do something that the stark realities of growing unemployment lists have been unable to do and that is to impress upon the government the need to take action on the job crisis.

I am sure all members opposite will want to join with me in wishing them every success and in welcoming them here.

HON. MEMBERS: Hear, hear!

QUESTIONS

Unemployment in Saskatchewan

MR. SHILLINGTON: — My question concerns the subject just raised. By way of background I would remind the government that by StatsCanada's counts (and that's by no means the full story) there are 41,000 people in our province looking for work. We were in the midst of the worst unemployment crisis in the province's history in January of last year and this year our economy didn't create a single new job, and that's unprecedented for many years.

My question to the Minister of Labour is: when is your government going to come forward with an action plan to deal with the job crisis?

HON. MR. McLAREN: — Mr. Speaker, I would like to remind the member opposite that over the past year the workforce in Saskatchewan has climbed by 14,000 people. When you look at the unemployment rate that we have here in Saskatchewan, at 7.7, which I agree is not good when anybody is out of work, but when I come back from conferences across Canada and see British Columbia, Ontario, the Maritimes and the

rates that they are at, I think we can feel very fortunate to be here in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

Job Creation Program

MR. SHILLINGTON: — A question to the Minister of Social Services, Mr. Speaker. You yourself have admitted that the job creation program which was created has been a dismal failure and will not reach its own goals, which by any definition are far too modest. Will your department take action on the job crisis and come forth with a meaningful program, since you admit the one you have isn't working?

HON. MRS. SMITH: — Mr. Speaker, I don't believe that I have ever said it is a dismal failure. If that's what you're hearing, I suggest that you apply to SHIP. What I had said was that ideally, starting a program, if you could get all the jobs that you had estimated on it within one month (that's ideally) that would be great. But we live in a very real world. You talk about the 20 people that are here today, to start the realities of looking for employment. I want to remind you that those realities started a long time ago, like 1980 the downturn in the economy, and then through 1981, with the increase in unemployment. And there wasn't a dime in the spring budget of 1982 to recognize what was happening.

On December 1 we came to an agreement with the federal government — the first one in Canada. Two weeks after that we signed an agreement for 296 jobs — two weeks after. I suggest to you that the program has been good.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Question, Mr. Speaker. I would remind the minister that she admitted her program was not meeting its own goals. Now I wouldn't define that as being an outstanding success, a program that can't meet its own goals. When is the minister going to come forth with a program which will be disclosed and provide some meaningful long-term jobs for the unemployed in this province?

HON. MRS. SMITH: — Mr. Speaker, once again, maybe I should talk a little louder. I have never said it's not meeting its goals. We were talking idealistically. And we know that that sort of thing doesn't happen, given the circumstances. The program is meeting its goals. If you look at the number of jobs that have come on, we are up to about 1,300 and we expect to meet the total numbers by the time that all the applications are approved.

MR. LINGENFELTER: — A question for the Minister of Social Services. The minister will know in a report issued monthly by her department that the number of people presently on welfare in the province of Saskatchewan is at a record high of 57,000, which in the Regina area alone, I believe, is up 67 per cent from this time last year.

In light of the fact that she is admitting that her job creating program is not working up to the expectations that were set by this government, I wonder when she intends to get on with a meaningful job creating program — a job creating program in terms of construction, for example, in her own department, of much needed nursing homes, and when she intends to announce this and change the role of this government from one that has great overruns in the area of social welfare to one that creates meaningful employment?

HON. MRS. SMITH: — Mr. Speaker, the member for Shaunavon keeps referring to the figure . . .

MR. SPEAKER: — When the clock was interrupted, we were approximately four minutes into question period. We will continue with 25 minutes of question period.

HON. MRS. SMITH: — Mr. Speaker, I believe the question was directed to me. As I started to say before the lights went out — I'm not sure if it was because of the answer coming or the question asked, but nevertheless — you referred to the figure of those 57,000 people unemployed, on social assistance. Actually, the number is 58,763, and I want to clarify something for you because the member for Shaunavon has consistently used the figure of 50,000 over when he is talking about those numbers on social assistance. The caseload on social assistance — individuals — is 28,000, and of course many of them are the heads of households which makes up the 58,763.

Out of the 28,000 who are on social assistance, 11,000 are in the unemployable range. I want to remind the member that when you're talking about those numbers on social assistance, particularly the 58,000, 49 per cent of those are between the ages of zero and 19, and I assure you I'm not about to institute some child labour laws.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — I also want to remind the member that Saskatchewan, the only province in Canada in 1982, had an increase of 2,000 people being employed over and above the figures from the year before. If you look at the job creation program, what it was intended to do, and several other initiatives, I would say that this government is taking direct action. Some has been through the Saskatchewan Housing Corporation — the 3,000 home grants — that has created some jobs.

Let's take a look at the rural gas announcement that came out, that is intended to create 400 jobs. The change in the royalty structure was an incentive for further action in the oil fields, and I suggest that that, combined with the job creation program, is a good initiative which the government has taken.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Supplementary, Mr. Speaker. The simple facts are that there are 57,000 people in the province of Saskatchewan who are on welfare. The minister attempts to delay the announcement of any projects which would bring meaningful employment to this group of people by saying that most of them are unemployable. That is simply not true. The fastest growing group of people on welfare are the unemployed employable, and that number is up very significantly in Saskatchewan since April 26, 1982, the day when this government took office. It is that group of people, the unemployed employable, that we are concerned about — the people who want to work but are not allowed to under the present regime because there are no jobs. In particular in Regina. I wonder if the minister could explain why their makeshift job-creation program is not working even well enough to give those people jobs rather than welfare.

HON. MRS. SMITH: — First of all, once again, Mr. Speaker, the figure is 28,000, not 57,000 that are directly on welfare. The Regina program created 492 jobs that were announced a couple of weeks ago, and I suggest that the program is working — 492

jobs announced within one day.

HON. MR. BLAKENEY: — Mr. Speaker, I direct a question to the Premier. We have heard answers from the Minister of Labor and the Minister of Social Services, attempting to explain the dismal job creation record and the dismal record of economic growth of his government.

I have before me the summary of the Conference Board of Canada, with their forecasts for the next period, and they indicate in their forecasts that the province of Saskatchewan will enjoy — if that is the appropriate word — the slowest rate of growth in 1983 of any province in Canada.

I wonder if the Premier would advise what steps he proposes to take to ensure that the rate of growth in Saskatchewan at least climbs up to that of Prince Edward Island.

HON. MR. DEVINE: — Well, the first step, Mr. Speaker, in response to the question is to remind the members that we're not only open for business in Saskatchewan, but we're going to stay open for a long time.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — I think that the member opposite would recall that the predictions by the conference board have never been all that accurate, and particularly with respect to Saskatchewan. If you look at several items, particularly if you start with employment, Saskatchewan ranks number one ahead of all other jurisdictions in the country because we are the only province with a net increase in job creation — the only one — which means as a result of things we've done in the energy field, natural gas distribution programs, housing programs, joint ventures with the federal government, farm purchase programs and tax relief, this province is looking forward to one of the best growth rates, according to the financial advisers that we've talked to from here to Chicago to New York, and whatever, of any place in North America, which means probably one of the best of the world. So, regardless of what the conference board says, our unemployment rate is the best in the nation. We're the only place creating jobs. We have the lowest rate of inflation, and we have, as a result of the programs we've initiated, one of the best climates for investment in North America.

The Open for Business Conference was four months ago, and an awful lot has taken place in four months. And we expect an awful lot to take place in the next four years, and eight years, and 12 years.

HON. MR. BLAKENEY: — Mr. Speaker, I'm sure we're all obliged to the Premier for giving us his speech or portions of it again. However, what I am asking him is how he responds to the statements set out in the report of the Conference Board of Canada, who are aware of all the things the Premier speaks of, but none the less say that because of an absence of any major work on resource or transportation projects, we will see activity decline for the second successive year in 1983. How does he answer these suggestions, allegations and predictions of the Conference Board of Canada? And how can he get around the hard facts that they outline, that there is not much happening by way of major work on resources and major work on transportation projects? How does he answer that?

HON. MR. DEVINE: — Mr. Speaker, three or four additional observations. Number one, agricultural output last year was, if not record, almost record levels. The conference

board knows that it's difficult to go from a record to another record. So, given a strong agricultural base here, if we just maintain the record there could be zero growth in production in the agricultural sector. That's number one, we're going from a high to something else.

Number two, the conference board did not take into consideration, because we hadn't announced it, the rural gas distribution program. That's the largest in the history of the free world or perhaps ever in gas distribution systems for a rural jurisdiction.

Third, it has not, as far as I know, included any observations with respect to major capital projects in the energy business. And they all know that we're under negotiations in those and, if they come to pass, it means major, major projects.

Similarly, with respect to water, I don't know if it even included a \$600 million project in the Nipawin power operation. But if it didn't include those, then obviously we could do much better than they forecast.

Heavy Oil Upgrader

MR. THOMPSON: — Thank you, Mr. Speaker. My question is to the Minister of Energy and Mines. Since taking over the portfolio on January 17, would the Premier indicate what he has done to make sure that the heavy oil upgrader will become a reality in Saskatchewan; and when do you expect to be able to launch construction of this important project, which you promised to obtain for our province throughout your last campaign?

HON. MR. DEVINE: — Well, Mr. Speaker, the negotiations on various alternatives with respect to the upgrader are carrying on. We are dealing with various companies, various other jurisdictions like Alberta and the federal government, and various companies, on practically a day-to-day basis. A bit of a monkey wrench has developed as a result of international oil pricing. OPEC countries have initiated the action because of their disagreements. It has now looked like we've had some break in terms of Great Britain and others, and they are starting to bolt, if you will, from the normal cartel arrangement, and that has some long-run implications. Even the neighbouring provinces are looking at minibudgets as a result of the instability in the oil field. If we are going to build long-run projects, we want to have some stability in prices. We want to encourage the federal government to make sure that it advises us, as all Canadians, what it intends to do about long-run energy pricing stability. But the negotiations are going on within the world events.

MR. THOMPSON: — Final supplementary, Mr. Speaker. Would the Premier indicate when he'll be announcing a full-time Minister of Energy and Mines so that the important projects that you have been discussing, and others, will be given full attention by a minister in charge?

HON. MR. DEVINE: — Mr. Speaker, I will be announcing any modifications in the cabinet in due course. Taking over a portfolio has some strengths and weaknesses, but clearly, as Minister of Energy, I do get the opportunity to talk to the Premier more often.

SOME HON. MEMBERS: Hear, hear!

SPC Rate Increases for 1983

MR. LUSNEY: — Thank you, Mr. Speaker. I have a question for the Premier. Has the cabinet approved the application to the public utilities review commission by the Saskatchewan Power Corporation for rate increases in 1983, and is that application now before the review commission, and, if not, when do you expect it will be coming forward?

HON. MR. DEVINE: — Well, it's my understanding, Mr. Speaker, that the various crown corporations provide the information to the public utilities review commission. It examines all the data and makes its recommendations. At that time the public knows and the cabinet knows and so forth. We haven't received anything from the public utilities review commission. I understand they are meeting, or will be meeting and accepting the information from the utilities, and we will go from there.

MR. LUSNEY: — Supplementary, Mr. Speaker. Have you received anything from SPC? Has cabinet received anything in the way of a rate increase that they would like to propose to the rate review commission?

HON. MR. DEVINE: — No, neither cabinet nor cabinet planning has received anything. Clearly the ministers may be in negotiations on an individual basis with the public utilities, but it is not before cabinet in terms of recommendations of rates. That kind of information goes to the public utilities review commission. That commission makes its recommendations.

HON. MR. BLAKENEY: — I'd like to direct a supplementary to the Premier. Is the Premier telling us that crown corporations like the Saskatchewan Power Corporation are going to make formal application to the public utilities review commission for rate increases without approval by cabinet?

HON. MR. DEVINE: — Well, Mr. Speaker, I would check to make sure that that's the process in terms of the way the legislation is designed, but cabinet is not going to tell the crown corporations what to apply for, or else there would be no reason for a public utilities review commission. A public utilities review commission is to have the general public involved in justifying those rates. So the crown corporations give the information to PURC, and PURC will say that they are justified or they are not, and the final recommendations will come before cabinet.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary question. Do I understand the Premier to say then that cabinet is exercising no jurisdiction and no control over what applications are made to the public utilities review commission, and that cabinet is not going to direct the public utilities review commission to render any particular decision, and, accordingly, that utility rates are subject to no judgment by the cabinet as to whether those rates are appropriate?

HON. MR. DEVINE: — Mr. Speaker, I didn't say that. What I said was that the crown corporations will make their applications to the public utilities review commission and cabinet is not going to tell the crowns what to apply for. The public utilities review commission will make its recommendations. Now clearly cabinet can say, "I don't like those," but then we bear the brunt of public opinion when we decide to either go with them or not to go with them. But the final decision like anything else is with the cabinet. But on the application of the process and the justification of the rates and all the examination and so forth, they do that on their own, as I understand it and as I understand the legislation.

HON. MR. BLAKENEY: — Mr. Speaker and Mr. Premier, I want to be clear on this. The Premier is now telling us that when the public utilities review commission makes a recommendation, as he terms it, then that will be subject to acceptance or non-acceptance by cabinet which accepts the responsibility for the decision.

HON. MR. DEVINE: — Well, Mr. Speaker, if they made a recommendation of 45 per cent or 125 per cent, whatever, and we thought it was not good for the public and we felt justified in making a move, we always have that power. Clearly we do. The public utilities review commission makes its decision with respect to the justification for those applications and rates to have the public involved. So it isn't as it used to be with just the cabinet minister deciding what the rates are going to be. So the public is involved in this process. Now clearly cabinet can say that that's way out of line and the public wouldn't accept it, or that it's wrong or inappropriate, or whatnot. But we are not going to be involved on a day-to-day basis telling the public utilities what to apply for or PURC what to do.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. I understand the Premier now to be saying that if the public utilities review commission makes a ruling indicating that a rate increase of, let us say, 18 per cent is justifiable, it is still within the purview of cabinet to apply a restraint level of 7 per cent or whatever other level it wishes to apply so that those rates as recommended by the public utilities review commission would not go into effect but the rates as subject to the cabinet guidelines or restraint ceilings would go into effect.

HON. MR. DEVINE: — I suspect, and this is a hypothetical question that you're proposing, but I would suspect, 99.9 per cent of the time the public utilities review commission will make its recommendations and they will be accepted. But I would not rule out the possibility at some time or any time, if some recommendation just proved to be awful in our judgment, the cabinet would not have any control at all. So I mean, the mechanism is set up there to have the public involved, to look at the rates, to understand them, and to make justification. But to rule out completely that cabinet could never have any influence on that, I don't think is reasonable. Not that we're asking for any more, but in 99 per cent of the time, I believe the public utilities review commission would be accepted and that would be the process.

HON. MR. BLAKENEY: — A new question to the Premier. With respect to the rates which are to be charged by utilities, will the Premier advise us whether or not rate increases to be applied during calendar 1983 by the Saskatchewan Power Corporation (and I'll use that as an example) will be subject to the guidelines that apply to wage increases of employees of the Government of Saskatchewan?

HON. MR. DEVINE: — Basically no, for a couple or three reasons. The recommendations that came out from the Prime Minister, maybe six months ago, on the 6/5 program, said we should all participate in the 6/5, and the size of government, and everything else. He did make one exception, and I concur with the exception. We don't want to see large deficits accumulating in public utilities across the country. So that if, over a period of 3, 5, 6, 7, 8 years, or whatever, we can build in a program that makes sure we don't have growing deficits in Sask Power, Sask Tel, or Manitoba Power, or whatever, we should strive to do that, because they have no other source of income.

So given that caveat, we would say, generally our guidelines apply, but if there's a growing deficit there, and one that looks like we have long capital projects or anything

else (we have to make sure that they're paid for so we don't just use our money for interest), then we would prepare to see increases above those, and public utilities review commission will be advised of that. We don't want long-run deficits and the interest costs associated with public utility debts. Then they can adjust accordingly.

MR. ENGEL: — I have a question to the Minister of Agriculture. In a few minutes he will be introducing a motion for emergency debate on the Pepin plan. The Premier said that he wants the unanimous approval of this Assembly for the resolution and we would like to give it, but we are not going to buy a pig in a poke, Mr. Minister. If the government were serious about trying to get the unanimous approval for this action plan to save the crow, I would have assumed that you would have provided a copy of your proposed action plan in advance, so that all the members could study it in detail. Why wasn't this done?

HON. MR. BERNTSON: — As the member opposite knows, Mr. Speaker, the normal procedure under rule 17 is that notice is filed with the Clerk's office at least two hours prior to the normal commencement of the House that day. That notice was filed along with a copy of the motion asking for the emergency debate under rule 17 to take place. The next step, Mr. Speaker, in the normal course of events, is that when that debate is won or lost, particularly if it's won, you proceed with the motion of corrective action which would lay out the plan that we would propose, in order to deal with the question relative to the Pepin plan. I'm sure that the member isn't telling that they are going to stand in the road of unanimous consent to deal with the ill-conceived Pepin plan.

ANNOUNCEMENT

Introduction of Page

MR. SPEAKER: — I would like to take this opportunity to introduce to the Assembly, Shawna Rae Levee, who will be serving as a page during this session.

HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

PRIORITY OF DEBATE

Western Transportation Initiative

HON. MR. BERNTSON: — Mr. Speaker, on the orders today, I would like to ask leave of the Assembly under rule 17, for which notice was provided and acknowledgement received, that the matter of urgent public importance, the matter stated as the western transportation initiative, the policy decision, commonly known as the Pepin plan, be given priority of debate under rule 17.

The statutory freight rates and the principles contained therein are fundamental to the economic and social lifeblood of Saskatchewan. Ottawa is threatening to abandon the principles of a fixed rate for grain and to replace it with a guarantee to the railways. Agriculture, the cornerstone of our economy, is threatened and the future development of Saskatchewan is at serious risk. The Prime Minister promised very clearly that no change would be made unless a consensus was reached in the West.

Therefore, it is urgent that this House express its opposition to the Pepin plan. The motion that I ask leave for and would propose at the end of the debate, Mr. Speaker, reads as follows:

That this Assembly give priority of debate to a matter of urgent public importance, that being the effect of the western transportation initiative, the policy decision commonly known as the Pepin plan, on the province of Saskatchewan.

I ask leave to proceed under rule 17, Mr. Speaker.

Mr. Speaker, I think it is generally accepted by all members in this House that this is a matter of some urgency. I want to say at the outset that our government has gone the extra mile in co-operating with the federal government and governments in other jurisdictions where we have a common purpose, where we have a role to play to enhance the common good of the people of Saskatchewan and the people of Canada.

An example which I can cite that has demonstrated some success is, number one, the farm purchase plan, where we co-operated with the farm credit corporation to provide low-cost money to farmers who are experiencing some difficulty these days.

We also co-operated with the federal government (and were the first out of the chute) on the employment plan that the federal government initiated, the housing plan, in addition to others.

Having said that, Mr. Speaker, we see we have no common ground in the Pepin plan and we do not intend to co-operate. In fact, just the opposite is true.

I want to address the issue, Mr. Speaker. It may well be the most important economic issue and social issue as well in our time. That issue relates primarily and specifically to the federal government's proposal to change the statutory freight rate for grain in western Canada. The proposal, commonly known as the Pepin plan, if allowed to proceed in the present form, will deal a lethal blow to Saskatchewan farmers and, indeed, the very viability of the agricultural grain industry in Saskatchewan and western Canada.

The importance of our agricultural industry, Mr. Speaker, I don't think can ever be overstated as it relates to the economy of Saskatchewan, to the Canadian economy, and to the balance of payments. All Canadians benefit from our agricultural sector. The future of our industry is dependent on our ability to produce the product for export, and on our ability to deliver the product to export position.

Our farmers are world-class producers — we have resources; we have the technology; we have the skilled labor. Saskatchewan farmers can meet the challenge of the future. We are world class producers. But our transportation system is not world class.

The transportation system, Mr. Speaker, is something less than world class. We need a world class transportation system for our Saskatchewan grain, potash, western Canadian coal, sulphur, and forest products. The western rail system is presently unable to deliver the volumes of western bulk commodities that can be sold, due to insufficient capacity. If more capacity is not added, then rationing of traffic will occur sometime between 1985 and 1987, depending on the world economy.

The railways cannot afford to add the capacity of the system because of the losses incurred by them moving grain, and that's the argument they advance. If the system cannot move our grain to export position, it will mean lost sales opportunities, damage to Canada's reputation as an exporting nation, less to Canada's balance of payments, less to Canada's taxes, and less in employment and less in every respect for western Canada.

What I have outlined, Mr. Speaker, on that argument is supported by the railways, and the coal, potash, sulphur, and forest industries, as well as the federal government. The railways want the farmers to pay more so that the railways will be able to borrow less in order to finance expansion in capacity. The federal government believes that the farmers of western Canada should pay more to transport grain so that the federal government has to pay less in subsidy to the railways. The federal government, through its Pepin plan, wants grain farmers to pay more, Mr. Speaker — grain farmers who already face tremendous risks from weather, from market, and from an already crippling tax burden on farm fuel, on capital gains, and a host of other federal tax burdens. These same grain producers, who contribute so much to the Canadian economy, are now being asked by the federal government to pay more and more.

Mr. Speaker, under the Pepin plan, western Canadian farmers are being asked to pay more. Under the plan, western Canadian farmers are being told to pay 500 per cent more to haul their grain to export position in the next decade. Farmers are being told to pick up any increases in costs due to inflation. Farmers are being told that they must pay the full cost of volumes shipped in excess of 31.1 million tonnes. Farmers are being told to give up their statutory freight rate guarantees.

Mr. Speaker, my question to Mr. Pepin and the federal government is this: how will these increased costs benefit western Canada? How will the farmers of western Canada benefit? What guarantees do they get? No matter how you slice it, Mr. Speaker, the Pepin plan, the answer always comes out the same. Western Canadian farmers are guaranteed to pay more to haul their grain. The railways are guaranteed to have their costs paid, to have capacity added, and must give no guarantees to perform despite massive inflows of public funds.

The benefits of the Pepin plan go, in the most part, to the railways, to central Canadian agricultural producers, and to central Canadian manufacturing plants. The farmers' present statutory rate guarantee is to be replaced, Mr. Speaker, with guarantees to the railways and central Canada.

Mr. Speaker, the Pepin plan is unacceptable to the farmers of Saskatchewan. Mr. Pepin and Mr. Trudeau would have Canadians believe that there is consensus in the West that the statutory rate should be changed. I submit to you, Mr. Speaker, that there is anything but consensus among Saskatchewan producers that the statutory freight rates on grain should be changed.

During the Gilson discussion which took place the federal government did not address that issue. The issue which became the subject of debate among farm organizations was not whether or not the statutory rates should be changed but, rather, how should they change. Farm organizations have made their views known to me and this government at a recent agricultural opportunities conference in Saskatoon on February 7 and 8. We provided a forum for the farm groups present there to express their views, not only relative to crop but relative to any other issue they had on their minds.

But on the question of crow, there were 11 farm groups that accepted the invitation. It's now my responsibility, Mr. Speaker, to convey the message from those farm groups to Ottawa. And I want to tell you something of the message that came out of that conference in Saskatoon, Mr. Speaker, represented by, I think, a very good cross section of the agricultural community in Saskatchewan.

The speaker representing the Pulse Crop Producers Association said, and I quote:

The sudden and large change is very rapid and will cause untold damage to a smooth transition in a transportation system.

The Palliser Wheat Growers' representative: "We in Palliser can't live with that big an increase." Gilson suggested a maximum inflation that producers should carry would be 4.5. Palliser also says:

It doesn't assure us that we will be put on an even footing with producers in eastern Canada, let alone other food-exporting countries.

The flax growers' representative:

The Gilson study suggested three times crow, and I felt that we negotiated for that. And now it suggests to go to five times crow by 1992, and this is too excessive. The producer should not have to pick up the inflation caused by something that was none of his doing.

In addition, he says:

I just point out the uncertainty we face accepting unknowns such as a percentage of inflation without grain prices following suit. The question of who and what dictates and decides what future costs are is left unclear.

Saskatchewan Wheat Pool representative:

This mega-type project is good for Canada, provides employment in areas like Ontario and British Columbia, Quebec, the Maritimes, some in Alberta, and a dabble in Saskatchewan. It is also good providing you are not in Saskatchewan and feel by-passed by some or all of this other economic activity that is taking place across the country.

As a taxpayer, I suppose the fact that the net cost to government is going to be virtually nothing. The time that you take in all the benefits that they get back is a positive thing, from the taxpayer's point of view.

But I do think that it indicates that they could have gone much farther in supporting the grain industry in the prairie region.

Sask Wheat Pool also states their concern as to guarantees relative to processed products in parity with raw.

Sask Wheat Pool is also concerned, and I quote Mr. E.K. Turner:

Additionally to this we suggested that government must participate in the total amount of grain that moves. They have chosen to set their limit of participation at 31.1 million tonnes, and we expect before the end of the decade to be moving over 40 million tonnes, about 36 million to export, and 4 or 5 million within Canada.

Rather an anomaly here, I think because for the only time that I've ever heard of, in the cost of transporting goods, the higher the amount of product you move, the higher the unit cost of moving will be. And that makes very little sense to any thinking person. So, given that, and given the fact that the cost increases are excessive, and the fact that there is nothing in the policy to identify the producer's ability to pay, we suggest the provincial government has a role to play on behalf of all the Saskatchewan people.

Mr. Speaker, we are doing that today.

The canola growers' representative said: "The limits on volume that are suggested are another concern if we are going to higher yielding grains and so on."

UG says the federal subsidy does not apply to volumes shipped above the 31.1 million tonnes. Secondly, farmers are asked to pay a much larger share of inflation than was recommended by Gilson. UG goes on to say that the government payment, the crow benefit payment, of \$651.6 million is to be paid in current dollars, not 1981 dollars, which will not reflect inflation. They are also concerned about the review process being watered down, and the railway commitment to capital investment and expenditure is not as concrete in the long term as they would want to see it.

Mr. Phelps of SARM:

The Gilson talks went on with different prairie organizations represented, but at no time, in my opinion, was a total consensus ever reached on the handling of prairie grain and the changing of the Crow's Nest agreement.

There is no guarantee of a price increase for farm products at the farm gate, only the possibility of producing more and moving more on a new railway system we may not be able to afford. Mr. Pepin said (I am quoting from the SARM representative) in Winnipeg the other day, before his news conference, that Canada could have the best damn railroad in the world. I remember writing in the margin, "I wonder if we will be able to afford it."

It disturbs me (this is Mr. Phelps from SARM) that there has been no mention of the port of Churchill — not \$1 allocated to that port to the best of my knowledge.

I see some short-term benefits in labor in the next decade, largely in central Canada. There are some long-term benefits (this is, again, Mr. Phelps from SARM) for the agricultural industry too. There is to be \$175 million for agricultural development that will be shared by the East and West, as I understand it. There is also \$75 million for industrial economic benefits for western Canada. Why were these announcements made by Mr. Lumley and Mr. Axworthy respectively at the same time as Mr. Pepin's announcement? Was it so that the crow change would be more palatable? Did Mr. Pepin get

the consensus for change in the West that he seems to think he got? In my opinion he did not.

The Prime Minister promised, very clearly, he would not tolerate any change unless a consensus was reached in the West. In the view of virtually everyone at that conference that consensus does not exist, has never existed, and likely never will.

Mr. Speaker, Mr. Pepin and Mr. Trudeau would have us believe that our livestock industry in western Canada will flourish if the Pepin plan is adopted. How sincere is the federal government in its commitment to development in western Canada?

Mr. Speaker, I have here an advertisement. This advertisement is under the authority of the federal Minister of Agriculture. It was in the February 21, 1983 issue of *Montreal Gazette*, and the headline reads: "The Crow Goes Without a Flap."

Let me quote from a federally paid ad, Mr. Speaker, which says:

During the last 10 years the Canadian government has made many major contributions to Quebec agriculture, investing more than \$1.5 billion. The government fully intends to adhere to this commitment by introducing new programs and continuing existing ones.

It also says in this ad, Mr. Speaker:

The higher transportation costs will prevent western pork and beef producers from becoming more competitive with their eastern counterparts in their traditional markets.

It seems to me, Mr. Speaker, that the federal government is something less than sincere when they are telling us that this plan is to enhance the economic development in the prairie basin, while at the same time they are telling the people in central Canada that in fact the opposite is true.

Mr. Speaker, let me assure this House and let me assure the federal government that the people of Saskatchewan and the Government of Saskatchewan will indeed raise a flap. Mr. Speaker, the Government of Saskatchewan has only begun the fight to protect western Canadian farmers from this scourge which the federal government is trying to shove down our throats. It is the position of the Government of Saskatchewan, and it always has been, that the farmers of Saskatchewan cannot and should not pay more to transport their grain. The federal government and the railways must live up to their obligation to expand and improve the grain transportation system to the benefit of all Canadians.

I have one other ad, Mr. Speaker, along with the translation which came with it. It is an ad also sponsored by Agriculture Canada in *Le Devoir*, February 5, 1983 (and I'll go from the translation if you don't mind). But this is telling us the objective of this ad is obviously to reassure the agrifood industry in Quebec by enumerating what they have called precautionary and developmental measures. Roughly translated, these precautionary measures read as follows: the third one, close monitoring by the livestock feed board of Canada with corrective measures if the new policy is found to

have a negative impact on eastern producers. Another one, maintaining corn formula for fixed prices for cereal grain destined for animal consumption. Six, maintaining the diversity of supply offered to the livestock producer in Quebec. Seven, the commitment of the railway companies to revise the needs of railway transportation in the East.

Developmental measures in this ad, Mr. Speaker, and this is in Quebec: \$80 million in direct aid to Quebec producers for irrigation, for storage and drying facilities, the development of new techniques for pork and poultry, the allocation of \$13 million for a computerized marketing system. Other projects include a \$10 million construction of an animal pathology laboratory in St-Hyacinthe, a \$30 million agrifood research centre. Compare that, Mr. Speaker, to the \$20 million allocated for western Canada, some of it to come to Saskatchewan for the purpose of soil improvement and water research, and it seems to fly in the face of their recent action of moving our researchers out of Saskatchewan. And as we put this research to work and increase productivity, we pay the penalty of full compensatory rate because we increase our productivity beyond 31.1 million tonnes.

It also says, Mr. Speaker, in this ad in *Le Devoir*, the new rate will not favor producers of pork and beef in the West and it will not have a negative effect on those industries in the East. Mr. Speaker, I think that, without question, calls into some doubt the motives of the federal government as it relates to, the sincerity of the federal government, as it relates to the desire of most prairie producers to have a transportation system that will deliver the goods, Mr. Speaker, one that should be the responsibility of the federal government, as it is to the benefit of all Canadians.

Mr. Speaker, I therefore move, seconded by the member for Estevan, the Premier:

That this Assembly give priority of debate to a matter of urgent public importance, that being the effect of the western transportation initiative, the policy decisions commonly known as the Pepin plan, on the province of Saskatchewan.

Motion agreed to.

HON. MR. BERNTSON: — Mr. Speaker, I want to thank the Assembly for allowing us to proceed with this matter under rule 17, and I would now move, seconded by the Premier:

That because the proposals advanced by the Minister of Transport for Canada to replace the statutory crowrate:

1. Do not recognize the principles of a statutory rate for grain;
2. Do not provide cost protection for farmers;
3. Do not recognize that grain must be sold in a competitive international market;
4. Do not remove the distortion in rates by including all prairie crops and their products under the new structure;

5. Do not deal with unacceptable high taxation levels on farm input such as fuel;
6. Do not provide sufficient performance guarantees for the future growth and development of all facets of prairie agriculture;
7. Prescribe an unacceptable limit of 31.1 million tonnes for subsidized shipments;
8. Provide central Canada with further artificial processing and livestock incentives; and
9. Are not supported by a consensus of western Canadians.

And because these are fundamental concerns, and must be dealt with in any plan for the western rail transportation system, this Assembly therefore rejects the Pepin plan.

HON. MR. DEVINE: — Mr. Speaker, I want to take this opportunity to add to and endorse the comments by the Minister of Agriculture with respect to the Pepin plan.

I would like to begin by saying the whole question with respect to transportation rates and the proposal coming out of Ottawa revolves around the question of trust — if in fact we here in the province of Saskatchewan can trust what the federal government is about to do, if we can have confidence it is going to be good for our province — that's the basic question. Because if it isn't, then we're going to be looking at some severe economic difficulties over the next 5, 10, 15 or 20 years in the province of Saskatchewan.

I will be addressing all of these points in specific terms. But to help make the point with respect to trust and who's winning and who's losing on the crowrate and the Pepin plan, I want to refer to a document called "Western Transportation Initiative." This is provided by the federal government as backup material on the Pepin plan, and it says the following. Note, Mr. Speaker, this says, "Western Canadian Transportation Initiative." First point:

Feed grain related initiatives are designed to increase local production in the non Canadian Wheat Board designated areas of Canada.

Is that western? This is the western initiative, the western Canadian transportation initiative proposed by Mr. Pepin in his first statement.

Feed grain related initiatives are designed to increase local grain production in the non Canadian Wheat Board designated areas.

Where's that? That's not here, Mr. Speaker. That isn't in western Canada. And that's the first point on the western transportation initiative.

Second, in his western initiative:

To expand production, funds will be provided to support land improvement or better drainage of land in (1) Ontario, (2) Northwestern Quebec, (3) New Brunswick, (4) Nova Scotia, (5) Newfoundland. Funds will also go toward the development of forage production in Ontario and Quebec.

Are they in western Canada, Mr. Speaker? This is a western initiative.

Third, Mr. Speaker:

To improve the marketing infrastructure, other funding will support better feed grain handling facilities ensuring adequate grain storage and drying capacity in (1) British Columbia, (2) Northern Ontario, (3) Quebec, (4) Nova Scotia, (5) New Brunswick, (6) Prince Edward Island.

Is that in Saskatchewan, Mr. Speaker? No. Sadly no. So when the Minister of Transport for the federal government comes out and says this plan is for the development of western Canada, and particularly for Saskatchewan, and in his "Western Transportation Initiative" that he sends along with it he talks about central Canada, Saskatchewan people are hard pressed to trust him.

Point number five in the western initiative:

Assistance will be made available to Quebec's primary and secondary food processors for final testing, demonstration, and adoption of new food production and processing technology.

That isn't here, Mr. Speaker. The goal is to expand the market for Quebec's primary agricultural products. That's the goal in his paper on western initiatives. That isn't in Saskatchewan. Similarly, Mr. Speaker, it follows with respect to crop information systems, satellite information systems — they are not in western Canada. They are indeed to take place in the central part of Canada, and the computerization, and particularly the marketing information system, is going in to the province of Quebec.

And he had a couple more, Mr. Speaker: "Background information: the Western Transportation Initiative." This is his second paper. It's supposed to be good for us. Let me just quote:

Thus, while increasing the crowrate will not affect eastern feed grain prices, disparities between the prices in the Prairies and eastern Canada will widen. In general prices across Canada usually differ by handling and transportation costs. However, due to the below-cost rates, the current spread in feed grain prices does not reflect the real costs of transporting grains from the Prairies to Thunder Bay.

Having made that point, Mr. Speaker, he goes on to point out (and I'm going to read again verbatim) that the whole system is designed for marketing, production and marketing of livestock out of Quebec and out of central Canada as opposed to the West.

I quote, again in the "Western Transportation Initiative," (supposed to be for us):

There is particular concern in Quebec about the impact on hog and pork production and exports. Quebec is now a major surplus pork production area, with about one-third of its production moving out of the region. Since

the late 1970s pork movements from western to eastern Canada have more or less ceased. This is because the difference in hog prices between Calgary and Montreal at about \$2 per hundredweight is much less than the cost of transporting meat, about 8.50 per hundredweight. The feed-cost savings realized by western hog producers will not be large enough to overcome this transportation differential. Hence, the expectation is that increased western hog production will not be shipped to eastern markets, but will have to be exported as a result of this plan.

So Quebec is clearly protected in terms of their production, and marketing, and exporting of their hogs because we don't plan (according to him) to fit into this program.

Number two, let's look at the export markets, and he goes on to talk about it in his western initiative:

So far as the United States is concerned, Quebec pork moves into eastern United States markets, where western Canadian pork is also uncompetitive because of transportation costs. Instead, western pork has a locational advantage in the U.S. West and Southwest where Quebec pork is uncompetitive. Hence, increased pork exports from the West will not compete directly with pork exports from Quebec into the United States. There will, however, be indirect competition because western and eastern exports both compete in U.S. markets with U.S. production centred in the midwest.

So, for half of the U.S. market the advantages given Quebec are there to protect that part of Canada as opposed to this.

What about the offshore, Mr. Speaker, in the western initiative according to Mr. Pepin? And this one, I suppose, is the bottom line because it provides the incentive to another part of the country while they're asking us to pay:

It is debatable if increased pork production in western Canada (I'm sure Alberta would like to hear this, and if they haven't read it I'm sure they will be) would compete with Quebec's pork exports to Japan. The Japanese market is product-specific and Quebec is geared up to serve it. Transportation costs from Quebec to Japan are currently less than transportation costs from the Prairies to Japan. (From my recollection, in geography we're much closer.) Hence, lower transportation costs from the Prairies to western U.S. markets compared with costs to Japan mean the U.S. market is more attractive to western hog producers, but in any event Japan and the Pacific rim countries are probable growth markets, providing further opportunities for Canadian pork exports, regardless of the source (namely, Quebec).

Well, Mr. Speaker, Saskatchewan has a large number of strengths. We have strengths in food and energy. We want to build on those strengths. Indeed, the Prime Minister has said three nights on television that we should build on our strength to be competitive internationally, and draw on those strengths and structure our public expenditures on those strengths, so that we can be number one and compete against the Japanese and the West Germans and the Americans and everybody else.

So it seems a little strange to me, when we are about to change a transportation system,

that all the incentives go to somebody else and all the payments occur here. That's why, Mr. Speaker, the Minister of Agriculture has outlined nine of our basic concerns that will have to be addressed, and I want to say that today we are prepared to address those nine with whatever is necessary to make sure that the Saskatchewan producer, consumer, and the general public are not going to be forced to pay for initiatives in the province of Quebec or Ontario or anyplace else which will give them some artificial comparative or competitive advantage over people here in western Canada (and particularly our province) that grow both the meat and the grains.

If I could take a moment to specifically address the nine issues and then outline a brief strategy in terms of what we are about to do with this.

Number one, the proposal out of Ottawa does not recognize the statutory rate for grain. Why is the statutory rate important? It's important, Mr. Speaker, because the grandfathers of most of the people in this room that homesteaded here knew that they didn't want to be subjected to a monopolist telling them what the rates were going to be. In other words, if the railroad was going to change the rate the railroad would have to deal with the man's member of parliament first. When you come out to homestead here and somebody has a monopoly position over you, you want some protection. You feel vulnerable. And the strength of the crowrate is that it's statutory, which means members of parliament have to deal with it before you can have subsequent changes at any time to the producer.

And that is important, Mr. Speaker, because of confidence. It gave people the confidence to invest here, to homestead and to work, knowing that there wouldn't be a dramatic change in costs and a dramatic change in prices, without at least their member of parliament being involved and having some say.

And that, Mr. Speaker, we say is absolutely necessary now, so that one person, public or private, like a monopoly or like a railroad, does not dictate the future of Saskatchewan agriculture, Saskatchewan industry or Saskatchewan anything else. It's important, because of the power those people have on our lives, that there is some public jurisdiction in that regard.

Number two, the plan coming out of Ottawa, the Pepin plan, does not provide for protection to farmers against the cost burden. There have been several suggestions, Mr. Speaker, and we endorse protection that would link the cost increases to either a percentage share of the transportation costs for grain, and its share in the market of whatever else is transported, or, similarly, to the price of wheat, so that there is some buffer, some protection, some long long-run confidence that the farmer won't have to pay more, more, more, regardless of what happens throughout the international world.

There is no choice. If the farmer has not got some protection, if he receives no buffer against rising, increasing costs on the open end, he can literally suffer economic suicide. Either the price of grain has to be associated with this proposal, or the basic percentage in terms of costs (and I believe federal members of parliament are linking to that), some protection so that he knows over the long run he has some confidence that the rates won't go right off the wall. And I'll address that more as we go down through the nine points. But every farmer in Saskatchewan knows that he has to have some

protection, and the strength of the crow was that he had that protection.

Number three, the plan does not recognize the Prime Minister's basic message, in his television series three nights in a row, that we have to compete internationally. The federal government has a major impact on the cost here in the province of Saskatchewan, particularly in terms of farm fuel and others. But it doesn't seem to recognize that. Those cost structures are very important when we compete as prairie producers. All we get out of the plan, out of Ottawa, is a basic argument for increasing the cost to us, and I just fail to see, nor does any farmer see, I would suspect, in the province of Saskatchewan, how that makes us more competitive.

But the whole argument, the philosophical argument, and we buy the argument that we have to be competitive, but that argument is not addressed in the plan and it must be. And it can't be camouflaged by giving people some more money in central Canada so that they can be competitive in Japan when they're 4,000 miles farther away. It just doesn't fit. There is no logic to it; there is no rationale. On one hand they are charging us more and more for diesel fuel, and on the other hand they are providing subsidies to somebody that doesn't even have the comparative advantage or the geological advantage or the distance advantage. Either you are going to stick to your word and be competitive and build on those strengths, or else it is a free-for-all.

Well, we believe we have stuck to our strengths, particularly because the farmer in Saskatchewan is not a source of inflation. He never has been. He never will be. The world markets dictate to him what he must do. But he does not pass cost increases on to anybody. He increases his productivity. He increases his efficiency and he takes from the world in the sense that they decide the prices.

Number four, we can't have discrimination across commodities in freight rates. All commodities should be in that, so that in economic development terms, we can go with pulse crops, or we can go with wheat crops or barley or whatever, and their products that are processed from them.

If the new plan is to build in discrepancies and discriminating elements, then somebody is going to get hurt even within the local basin, and we don't understand the reason for that. There are many products that we want to have, in terms of to widen our basket of competitive elements throughout the world, and those products should be included.

Number five deals with high input costs. Again it goes back to the first two with respect of the burden of cost. I see no justification for the farmers in Saskatchewan having to pay more and more tax on diesel fuel, sending that money to Ottawa and then turning around and asking us to pay more for transportation. What are they doing with the diesel fuel tax? What are they doing with the tax on natural gas that makes fertilizer and nitrogen? They're taxing that. What are they doing with that? It has an impact on our production costs. But they are still charging us more and more and more and then asking us to compete and to pay more for the transportation. Well, that diesel fuel tax certainly doesn't go into the roads, Mr. Speaker. We're following our own dirt with those tractors and those combines up, running up and down some federal government road.

The competitive element of the Saskatchewan producer, whether it's a miner, or a farmer, or an oilman or whatever, is well recognized internationally and if the Prime Minister's three night lectures mean anything, then we've got to call them on this one

and say we want to build up our competitive strengths and we're prepared to. We'll build natural gas systems and water systems and highways, and help in terms of technology in agriculture, but don't take it away by artificial substitutions for somebody else that probably, in a geographical sense, or a comparative economic sense, don't deserve it.

Number six, we want some sufficient performance guarantees for the future growth and development of all prairie agriculture. Again, Mr. Speaker, it goes back to the question that there's much more Saskatchewan can be in the provision of food, in the provision of energy, in terms of mines, and in terms of all kinds of economic development.

We don't want to see the federal government coming out and playing God, if you will, in terms of cross-subsidization, allowing this group to grow a little bit this year, dampening another one this year, when we have all kinds of potential, and the world is crying for food and energy and the products that we can produce by those. We don't want to see that dampened by restraints or constraints, shallow or hollow arguments, or arguments that say (as the Minister of Agriculture pointed out) on one hand that it's good for the province of Saskatchewan, on the West, and then turn around in the same ad and say that it's good for Quebec and "We'll protect your market." It doesn't fit. That kind of guarantee or lack of guarantee will not encourage economic development.

We are one of the strongest areas of potential growth, and certainly this part of the country is, in North America. That kind of tomfoolery doesn't encourage us as a region to pull the rest of the country out of a recession. As a nation, we look silly in that cross-subsidization to say, "We'll remove this; you pay a whole bunch more; give some incentives here."

There are some basic structural problems in central Canada and central United States in terms of economic development. Some places there, like the city of Detroit, may never even make it when we get out of a recession. They have some basic long-run structural problems. There is no reason that the Saskatchewan farmer or the Saskatchewan consumer should be paying money to help something that may never make it. We have food, energy, high technology, and the potential and the access to markets. We shouldn't be denied those, particularly at a time when the country needs that sort of strength.

Number seven, the plan says that if you really go for this you will have an increase in your ability to market more and more volume. Why would they want to cut us off at 31 million metric tonnes? We are there now, Mr. Speaker. We are marketing that today. By 1990 we could be looking at 42 million metric tonnes. What does that mean? The farmer pays the full shot and all of it, the whole thing, after 31 million metric tonnes. Or, you might as well say from now on, he pays. He pays it all. We're looking at another 25 per cent increase on top of the Pepin plan because we'll reach 31 million metric tonnes as of next year or the year after or very, very close.

There seems to be no logic, Mr. Speaker, in the development of a plan that says there's a disincentive for getting your act together to produce more and to market more. You're going to be penalized. Does that build on our competitive strength? Is that good for the province of Saskatchewan, good for western Canada, or, indeed, good for the country? No, I don't think so. I think it's good for a particular administration at the national level which is running out of money. They are saying, "I know where we could find some money, it's in the pockets of the Saskatchewan farmer." But if the Saskatchewan farmer

is robbed of his heritage, that is long-run confidence for production, there's going to be an awful lot of people in central Canada who will be out of jobs.

Machinery manufacturers and car manufacturers are looking to sell more and more to the province of Saskatchewan because we are the single largest agricultural producer and have half the farmland in the country and so forth, big crops, good technology, efficient and effective. But if you cut off farm income in Saskatchewan, you cut off thousands and thousands of jobs and the very industries that they have the structural problems with.

But perhaps, Mr. Speaker, they are only looking 12 months down the road and not 12 years down the road. In any event, that artificial limit of 31 million metric tonnes is unacceptable because it makes no economic sense; it makes no marketing sense.

Number eight, central Canada should not be provided with artificial incentives. That's where I suspect you are going to find the Minister of Agriculture, I and our cabinet and this entire caucus saying that we can't put up with it anymore. We are not going to spend hundreds of millions of dollars and literally billions of dollars on water and natural gas, on irrigation, on dams, on economic development, on rural development and have artificial incentives and structural advantages given to somebody else when we are trying to build on competitive strengths. We are going to stop. We can't do that because you can't afford to develop and build on your strengths if somebody else is going to be pulling all the cream off the top.

We have paid eastern tariffs for years and years and years. We paid tariffs on everything that has come into here. We want the opportunity to build. We are competitive. We don't ask for anything that isn't reasonable. But we are not going to see that competitive and comparative advantage in processing which is supposed to go with the change in the rates (and it could go with the change in the rates if it was done properly), we are not going to see all that slip away to central Canada or to anyone else.

Finally, Mr. Speaker, we don't believe that this plan is supported by a consensus of Saskatchewan people, or indeed western Canadians. We believe that the Minister of Transportation at the national level went fishing and he threw out a little bit of bait to see if anybody would bite on it. I think he is going to find that not many people at all will bite.

These nine points, Mr. Speaker, are extremely important to the province of Saskatchewan, and to the people of this province, and to the children of this generation and the next generation and generations to come, because they can mean basic structural foundations for us to build and have confidence. If we remove that confidence, or if there is a lack of thrust built right into this system, then you are going to see some major changes in the attitude about western Canadian development. That would be sad because we are on the frontier of doing something, probably one of the most exciting things that you could see any place in the world at any time.

So, Mr. Speaker, I want to close by advising the House that, number one, we are going to be sticking to our guns on these nine points.

Number two, we are going to go to bat for agriculture in Saskatchewan. We won't stand by and let Saskatchewan, and in particular livestock and processing and so forth, be

artificially subsidized and go to another province. What I mean by that is that if we have to we will use our treasury, Mr. Speaker, to fight for Saskatchewan agriculture because it is that important.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Number three, Mr. Speaker, we are going to be talking to every other jurisdiction. The Minister of Agriculture will be meeting with ministers and talking with each and every one of them from across the country, and particularly the minister from Quebec. Quebec does not get stronger by making us weak. No province gets stronger by making another province weaker. We can be stronger together; we can complement each other. What we want the Quebec people to recognize is that, while we are going to fight for agriculture and we are willing to put the treasury on the line for it, it's not in their best interest to carry on the way the federal government has been doing. If we are stronger financially and we have a stronger competitive international feed grain livestock mix, they will be too because if the Saskatchewan farmer goes broke, he won't have the feed grains to deliver to anybody.

Number four, we may provide the people of Saskatchewan with an opportunity to appraise this proposal, to study it and to look at it to see if there is a consensus. And that may mean taking it across the province in various kinds of forms.

Number five, we're going to lobby, Mr. Speaker, not only Ottawa but the people that could really lose, and this is the manufacturers of goods and equipment and so forth that sell into the province of Saskatchewan. When we are going full bore, when we are productive, when our energy business is going and our agriculture business is going, central Canada benefits. Half the jobs in the things that we do occur there and we're going to be going directly to Massey Ferguson and directly to International and to Chrysler and to anybody else that manufactures and processes and wants to sell here. If our income dries up, so does theirs. And that means jobs, thousands and thousands of jobs. I want people across this country to recognize what this change may mean.

Finally, Mr. Speaker, just let me say, in terms of general strategy, that we are asking for common sense. Asking for some long-run guidelines for farmers so that they know that they don't have to see cost going off the end of the wall is not unreasonable. Asking not to have penalties for high-volume marketing is not unreasonable. Asking for no artificial moneys going to other provinces to compensate for us to build on our competitive strength is not unreasonable. We're asking for common sense from the Canadian government. But if there's not common sense and it does get more and more expensive here to fight for Saskatchewan agriculture, then we'll be forced to consider even more serious action.

Mr. Speaker, it's a pleasure for me to support the motion by the Minister of Agriculture.

SOME HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUEST

MR. HEPWORTH: — Thank you, Mr. Speaker. I wasn't meant to be obstructing on this important debate, but I did want to introduce to you, and through you to the legislature, a guest legislator today here from not another province but in fact the state of North Dakota. That person is Orlin Hanson, better known as Bill Hanson, and he's from the North Dakota House of Representatives, where he is a representative there. And I am

pleased to welcome him to this House here and introduce him to you.

Mr. Hanson is here as part of a group from the state of North Dakota meeting with officials in our departments, as well as other provincial departments of agriculture, on a very thorny problem, almost as thorny as the crow, and that is an international weed problem, leafy spurge. And it's interesting to note that the basis for the international discussions taking place today were in fact initiated some months ago last fall when the Premier met with Governor Olson down there. So I would ask the House here today to please warmly welcome Representative Bill Hanson.

HON. MEMBERS: Hear, hear!

PRIORITY OF DEBATE (continued)

MR. LINGENFELTER: — Mr. Speaker, it gives me a great deal of pleasure to take part in this debate on the motion which I believe very weakly supports some type of a freight rate structure which would be beneficial to western Canada. But I listened with a great deal of interest for the Minister of Agriculture and the Premier to come out and say that they indeed defended the crowrate and would stand behind the farmers of Saskatchewan and the businessmen who will be devastated if it's allowed to be tampered with in any way.

Mr. Speaker, the Crow's Nest Pass rate is an historical benefit which farmers in Saskatchewan have built their farms around and built their communities around in the past 50, 60 or 70 years. There are many young farmers who are taking loans out today for 30 or 40 years and are basing their repayment schedules on the fact that they believed that they would have the protection of the statutory crowrate, both in terms of shipping their grain at a given rate and also having the benefit of a rail system close by.

Mr. Speaker, I see that the attempt by Pepin to move away from the statutory crowrate to something that would open the door to the rail companies to allow them to increase their rates indiscriminately would do away with many farmers in Saskatchewan and many rural communities.

Mr. Speaker, I don't think it's very difficult to understand and to realize that the Liberal Party of Canada is not very concerned about what we in western Canada believe is best for our farmers and for our farm communities. Mr. Speaker, the farm groups such as the Palliser Wheat Growers — it's not hard to understand that group which believes the crowrate should go. We don't agree with it but we can accept that they have a different opinion.

What we find very difficult to understand is the performance of this government, the Conservative Government of Saskatchewan, for the past 10 months, which has basically sat on its hands and done nothing to show the Pepin government, the Trudeau government, that it is opposed to any changes in the crowrate. Rather than having a government that was out front leading the farmers in their attack against any changes to the crowrate, we have had a government which for 10 months has done nothing. Today we have a resolution which they have put before this Assembly, which is merely a sham in order to attempt to pretend that they have now got a stance on the crowrate.

For the past 10 months they certainly have not had a stand. Evidence of that can be garnered from many different areas and many different newspapers throughout the province, such as the *Leader-Post*, December 16, 1982. I quote:

Premier Grant Devine says farmers should make up their own minds before the provincial government decides what to say for them.

“We’re not convinced the farmers have made up their minds,” Devine said in an interview Wednesday. “The school is still out on that one because we don’t feel that there’s a consensus among producers.”

I find it interesting that today he thinks there is a consensus. I wonder when he made up his mind, when he changed, and whether or not he indeed really has changed his mind, or whether this is simply a bluff for the people of Saskatchewan.

There are other quotes in there that would lead one to believe that this government is not sincere about their attempt to pretend that they’re in favor of the crowrate. George Fletcher from Eastend, the president of the Palliser Wheat Growers’ Association, agrees that it’s time for the provincial government to take a stand, and I quote:

“Since the election they’ve kind of stayed clear from the issue stating it’s clearly a federal problem,” said Fletcher, in an interview from his Eastend farm. “But there must be some concern. They’ve chosen not to take part.

Saskatchewan is a grain province and somewhere down the line there must be some policy from the provincial government.”

Other groups had other opinions which all were almost begging the provincial government to come out and take a stand on the crowrate. We have the wheat pool who said, and I quote, “It’s peculiar that a government should not have a position on this.” Ralph Stevenson, pool vice-president, said that in an interview. It’s high time they had one.

Well, we are attempting — every farmer in Saskatchewan — to push our Conservative government toward having a stance, but it’s a very difficult and slow process. I listened closely to hear the Minister of Agriculture say that he was in favor of maintaining the crowrate. Instead I heard a litany of how he would fight certain changes that were proposed, but not once did he say that he was in favor of maintaining the crowrate. This may have something to do with the fact that he belongs to the Palliser Wheat Growers’ Association, a group which advocates the disbandment of the crowrate. I think that trying to serve two masters, he’s having a bit of a difficult time. Mr. Deputy Speaker, I think it is fair to say that at least the Palliser Wheat Growers are men enough to stand up and let the world know where they stand on the crowrate, and that is different from the Premier of this province and the Minister of Agriculture.

We talked about developing in Saskatchewan a first-class or a world-class rail system. I would like to say that the rail system that has been designed in Saskatchewan and the other provinces, with the upgrading of the branch lines and the increase in the number of hopper cars — we are moving toward a first-class, world-class rail system and we are doing that with the crowrate benefit. We have the crowrate and yet we are able to upgrade to purchase hopper cars and yet maintain the farmers’ benefit of the crowrate.

Simply, to talk as the Premier has so many times about putting more money into the rail system to allow them to increase their rates is not the answer, as evidenced by what has occurred across the border in our neighbours to the south — Montana, North Dakota, and South Dakota. There is every evidence to indicate that quite the opposite is true: that if you allowed the railways to control the rates, what they very simply do is abandon branch lines, increase rates and give very, very little service. I think that if you look in the area of Turner and Hogeland in Montana, where once there were flourishing communities based on the Burlington Northern, what has happened there in the past 10 years with freight rates well in excess of \$1 a bushel now (I believe it's in the area of \$1.40 or \$1.50), is there is no rail line there simply because they didn't invest the increased profits that they were getting in the branch lines because they didn't have a government that defended the farmer.

Very simply, I think that we are facing the dilemma that we have a federal government that is attempting to get rid of the crowrate, but more importantly we have a provincial government that fails to take a stand on maintaining the crow.

George McGovern, the former U.S. senator for South Dakota is quoted as saying that, "In South Dakota we have a line that is so bad that a boxcar fell off the track the other day and it wasn't even moving." This is the first-class system that the Premier of this province has referred to many times in papers that he has done in attempting to explain the system that we should be moving toward.

Well, we've decided that the federal government certainly isn't in favor of western Canada, but I think it is interesting to note, too, that there are a number of reasons why the Conservative provincial government in Saskatchewan is not defending the crowrate as well. If we look at the donations that have come from the CPR in the past number of years to the Conservative Party, you will get an idea of why the Conservative Party is weak on the crowrate. Between 1978 and 1981, Canadian Pacific Ltd. donated \$120,000 to the Conservative Party . . . (inaudible interjection) . . . Yes, and the Minister of Agriculture says that they thanked the CPR for that donation very much, and the farmers will be asking in return for one. And who is going to pay the bill?

Mr. Deputy Speaker, in terms of the amount of donations that come from the Canadian Pacific, that's only the tip of the iceberg. In terms of the subsidiaries of Canadian Pacific, the amount of donations that flowed to the Conservative Party is substantially larger than that. And I make the case, Mr. Deputy Speaker, that this is one of the reasons — only one — that the Tory party is soft on the crowrate.

Mr. Speaker, the members opposite make light of the fact of this conflict of interest, the conflict between political donations of the CPR to the Conservative Party and the softness in fighting for the crowrate. But I'll tell you that the farmers will not take it lightly and in the days to come we will see whether or not they take lightly this attitude by the Conservative government, the fact that they have not taken a stand and that they are having to be pushed and nudged toward taking a position on the crowrate.

This resolution which we are dealing with today does not outline any type of a plan for a meaningful attack on the federal government. It outlines some of the concerns which everyone has talked about over the past, month after month. Here we have a provincial government that after ten months comes up with a number of points that are agreed to by a great number of people, and are merely repeating what has already been out and

debated for a number of months — not a leadership role of planning what kind of an attack we should be taking with the federal government, but simply following along the farm groups and leaving the leadership up to someone else.

Mr. Speaker, there's another important reason why the Conservative Party is soft on the crowrate. I'm sure that the Minister of Agriculture, being at the Palliser Wheat Growers conference in Calgary last month, or early this month, would give you an indication that the Minister of Agriculture is attempting to play both sides of the fence on this most important issue, because it's very difficult to be a member of Palliser Wheat Growers, who believe that the crowrate should go, and also to be a member of the cabinet and pretend to be supporting the crowrate. I think that he's having a very difficult time riding the fence and it's becoming a little painful, because you get into trouble if you do that for too long.

I think, Mr. Deputy Speaker, another reason why the Conservatives are having a difficult time with this whole program of Crow's Nest Pass rate is because of the attitude of the Premier of this province over the past number of years. The *Leader-Post* of January 25, 1978 reported that Grant Devine was calling for an increase in the crowrate. And Devine went on to say that the railway companies "need more money to upgrade lines and buy new equipment." And I don't believe that he's ever changed that opinion, and that he believes that it should be carried out and paid for by the farmers of Saskatchewan. In one of his papers titled "Historical Perspective and Propositions on the Crow's Nest Pass Freight Rate Agreement", he is quoted as saying, which is very revealing of Devine's contempt for Saskatchewan, and I quote, "These rates (the crow) may be retarding the growth of western Canada and consequently may not be in the best public interest."

Mr. Deputy Speaker, I think that these kinds of lines coming from the person who is now Premier is giving very great suspicions to a large number of farm groups, and a large number of farmers in Saskatchewan at the present time.

Mr. Speaker, I think, on the other hand, if you have listened to the comments that have been made by the Leader of the Opposition, and the agriculture critic of the opposition, you will find that the NDP, both federally and provincially, have taken a strong stand on the crowrate. They have outlined what they would do and what they are going to be asking of the government in terms of getting Pepin off the track of attempting to get rid of the crowrate.

I think, if you look back over the past 10 years, we had a man around a while ago in the federal cabinet by the name of Otto Lang, who attempted to get rid of the crowrate in '74 or '75, but because of the fact that the provincial government, along with their many farmer friends, stood together and fought that proposal, the crowrate is still in existence at this time. I don't think it's a coincidence that Pepin has moved quickly, 10 months after there was a Conservative government elected in Saskatchewan, to dump the crowrate. I think the silence on the part of the Minister of Agriculture and on the part of the Premier to date was a green light for the Liberals in Ottawa to move quickly and attempt to get rid of the crow.

On the other hand, I think that if the farmers stand together solidly and stand behind and with all of the groups who are fighting the Pepin plan, and if they can push the provincial government into taking a stand, the crowrate can be saved, and I believe it must be saved if we are going to survive in an economic and social system which we have known and built over the past 100 years in the province of Saskatchewan.

So, Mr. Speaker, with those few words I want to say that I'm glad that the government is moving towards a position. We are suspicious of that position because we feel that it is merely a ploy to get the heat off them after 10 months of pushing by the farm groups, and we'll see whether or not they will accept an amendment which will put some teeth into this motion and outline a plan of attack.

MR. HEPWORTH: — Thank you, Mr. Speaker. It's indeed a pleasure once again to rise in debate in this House for the people of Weyburn constituency on this issue of extreme importance. Before I get started, Mr. Deputy Speaker, I would first like to congratulate the Premier and the Minister of Agriculture for two of the best speeches we've heard in this House since I've been a member of this legislature.

It's nice to hear from people who understand an issue so important as this, and it's nice to know that we have people in this House who are prepared to elevate themselves above partisan politics on an item so important as this. They were so refreshing to hear compared to the member who has just spoken, who immediately got down into the donations thing and all this old drivel. They obviously haven't learned their lesson. They didn't learn it on April 26. Surely, Mr. Deputy Speaker, they will learn it after what happened to them yesterday in Prince Albert-Duck Lake.

I was very glad to hear the hon. member for Shaunavon make some reference to positions of some months as to being soft on the crowrate and other drivel, because it gives me a chance to address some of those remarks later on, Mr. Deputy Speaker.

The crowrate, that the people in Saskatchewan have come to know and expect, is an important economic benefit. They feel secure in the protection it offers. It is one of the farmer's too few known and fixed costs. Like the family farm, it is of special historical importance. In fact, for many of us, it is essentially regarded as an article of confederation. And, Mr. Speaker, these are all important considerations, given that farmers today find themselves facing grain prices at all time lows, worsened by news reports predicting further declines in an upcoming grain war. Add to that, Mr. Deputy Speaker, the ever-rising operating costs as inputs like chemicals and fertilizers continue to rise. It is no wonder farm bankruptcies are on the rise. Given all this, Mr. Deputy Speaker, any responsible government in Ottawa would be looking for ways to reduce the farmers' input costs, not increase them. That's why, Mr. Deputy Speaker, on June 28, 1982, immediately after the release of the Gilson report, Saskatchewan's Minister of Agriculture sent a Telex to the Hon. Jean-Luc Pepin which in part read, and I quote:

It is the position of the Government of Saskatchewan that the crowrate remain unchanged, and that the federal government is responsible for paying the revenue shortfall.

That is why, Mr. Speaker, in this same Telex our hon. minister identified areas where the federal government should be looking to reduce, not increase, input costs, namely removing the 55 per gallon fuel tax and changing the capital gains tax structure. Was this a new position of the Conservatives as suggested by the hon. member for Shaunavon? Was this a new position of the Conservatives as espoused by the PCs now in government in Saskatchewan? No, Mr. Speaker.

In fact, let's examine the crow statement of Grant Devine, party leader, as found in my local paper, the *Weyburn Review*, almost exactly one year ago today. A statement by Dr. Grant Devine, leader. This is from the *Weyburn Review*, booster section, February 17, 1982. I won't go through the whole letter but I'll read a couple of paragraphs, and I quote:

One thing is very clear, though. Saskatchewan agricultural producers cannot afford an increase in freight rates, or anything else for that matter, because of other cost increases. Fertilizer and fuel prices have doubled. Interest rates are up 100 per cent, and grain prices down. The crowrate must remain statutory. Any revenue shortfall to the railways must be paid by the federal government.

That was in the *Weyburn Review* almost one year ago to the day. He said then we would protect Saskatchewan farmers. Now in government, the Minister of Agriculture has said repeatedly he'll go to the wall for the farmers. We've just heard the Premier tell this legislature that he's going to pull out all stops, including everything at the disposal of this province's treasury, to stop the Pepin proposal. The Premier, the Minister of Agriculture, and every member of this government caucus will go to the wall for the farmers in this province.

SOME HON. MEMBERS: Hear, hear!

MR. HEPWORTH: — This government has consistently said no to increases in farmers' grain transportation costs. They said it 12 months ago. They said it after Gilson, and they said it February 2 when Pepin tried to deliver this knockout blow. And our minister then again advised Mr. Pepin, and I quote from the Minister of Agriculture's February Telex to Jean-Luc Pepin:

I cannot support any plan that costs the farmer one dollar more.

Now, if that's soft, hon. member for Shaunavon, you should get some hearing assistance as the hon. member for Swift Current suggested earlier in question period today.

So I think you can see, Mr. Deputy Speaker, it has always been the position of the Conservatives, both before and after April 26, 1982, that the crowrate stay. So I ask the hon. members of the House: where did the Hon. Jean-Luc Pepin get the idea he could change these rates? Well, let's examine the record, Mr. Deputy Speaker. Let's go back to May, 1977. The hon. member for Shaunavon was wanting to go back a few years; I am equally willing to go back a few years. May 1977, then premier Allan Blakeney, CBC TV interview, and I quote:

I am realistic to know that as time goes on and costs go on I think farmers are realistic to say that at some time they would look at increasing the crow.

And, Mr. Deputy Speaker, he went on further to say, and I quote again:

We think that under circumstances and at some future time the case might be made for increasing the level of the crow.

Does that sound like the bastion of defence of the crow? Mr. Deputy Speaker, I ask this legislature, does that sound like a defence of the crow?

Well, let's move forward a little further. Once again we will go back one year. What was the House of Commons in Ottawa hearing about where the NDP government stood on the crow? Once again, almost one year to the day, February 26, 1982 (today is February 22, 1983), *Commons Debates*, page 15438, and I will read this into the record, Mr. Deputy Speaker. We have here Mr. Mazankowski speaking, and I quote:

The Minister of Transport for Saskatchewan says as well that he wants no change, but he is advocating change by recommending that we follow the Hall recommendations. He, too, wants to buy a railroad. He has a heritage trust fund in Saskatchewan that he is going to tap. He wants to buy the CPR. The minister there wants to spend the taxpayers' dollars in Saskatchewan in a way which will not improve the transportation system one iota. He is offering a crowrate guarantee plan. Here again he is prepared to tax the people of Saskatchewan to fund a major portion of the freight bill to move processed products.

And then Mr. Schields interjected and said, "No damned principles."

Then Mr. Mazankowski went on to say:

Then I come to the premier of Saskatchewan. Well, he favors a statutory rate, but not necessarily the crow. He says he is prepared to negotiate future cost increases as long as the producers keep the benefit of the crow. But then he signed a document just the other day which says he is not prepared to accept any changes.

Mr. Speaker, how can the New Democratic Party be taken seriously when they say they are going to fight and, when the crunch comes, they become merely an appendage to the Liberal government in office?

Mr. Schields interjected again, "Always have been; always will be."

Mr. Mazankowski continued:

When the chips are down they fall in line and bolster the hopes of the Liberal Party, a party which occupies the seat of a treasury board which is bankrupting this country. I say shame on them. I say to you, Mr. Speaker, that if this country is in a mess today the New Democratic Party of Canada must share the blame. I say to you as well that if the farmers of Canada lose their statutory rights they must blame the NDP as well as the Liberals, because the NDP put this government in office.

SOME HON. MEMBERS: Hear, hear!

MR. HEPWORTH: — End of quotation, Mr. Deputy Speaker, from *Hansard*.

Yes, Mr. Speaker, it is a well-known fact that the NDP put the Liberals in power. It's the same duo who pushed up fuel prices, not 18 cents a gallon, but 65 cents a gallon or more, or who knows where it stands today? This was the position of the NDP one year ago, February 26. While we were steadfast in our defence of the crow, the NDP was waffling.

Let's move forward a little further and see how Mr. Pepin himself viewed the former premier on the crow. It may give us some idea of where Pepin and his friends the NDP got the seed planted for increases to the crow. Where did they get this idea?

Let's move forward to March 12, 1982, less than a year ago, and examine the text of Jean-Luc Pepin's speech to the SARM convention in Regina. He was developing the case in his speech for changing the crow. He said, and I quote:

All of this led to the conclusion that the federal government had to deal with the crowrate. There had been widespread recognition in western Canada, as well as in Ottawa, that this would be inevitable at some point. Even Premier Blakeney said so. It was clear that the point had been reached.

End of quotation, Mr. Deputy Speaker. Interesting line in Mr. Pepin's speech: "Even Premier Blakeney said so." Now where did he get this idea? And he reiterated the former NDP premier's belief that the crow was not sacred when later in the same speech he said, and I quote again from his address to the SARM:

The old rate of half a cent a tonne-mile can't go forever. But the principle of statutory protection for grain transportation can. This incidentally is pretty much what Mr. Blakeney has said at various times in recent years, but understandably with an election in prospect, he finds the present an inconvenient time to display his realism on the subject.

So here we have Jean-Luc Pepin saying, and believing, that it is pretty much what Mr. Blakeney has said at various times in recent years: that the crow, the principle of statutory protection for grain, doesn't exist. A spineless defence of the crow, posture only improving at election time it seems.

It is no wonder, Mr. Deputy Speaker, farmers in this province do not trust Two-Track Trudeau and the NDP. They trust the Progressive Conservative government here today. They always have. We are the only consistent voice on crow. How often have you heard "Farmers cannot afford to pay one penny more," consistently? They trust us because we listen and as the Minister of Agriculture mentioned, we listened to 500 or 600 people from all areas of farming at the agricultural opportunities conference in Saskatoon. They said, "Wonderful idea. Why haven't we done this before?" We tagged on an emergency session to deal with the transportation problem. Wonderful idea. Before we got back to our offices here in Regina from Saskatoon, there were letters here already saying, "Wonderful! Let's do it again. This is something new in this province." We listened. These guys are busy becoming part of the six and four solution. If they keep up what they've been doing, there'll be 64 of us and none of them.

Mr. Deputy Speaker, they know in Ottawa, Jean-Luc Pepin and Trudeau and the NDP alliance, they knew the former NDP premier from Saskatchewan's real position. And they were not fooling anyone. So on the very same day as the *Hansard* debates I earlier referred to in the Commons were taking place, there was a *Leader-Post* columnist here in Regina who observed, and I quote (this is column February 26, '82, once again almost a year to the day):

So what we have here is a situation where the NDP members appear to have different shades to their crowrate policy.

And it went on to say:

And balance that with Blakeney's admission that the railways should get further compensation and his concession that the crowrate can change, providing farmers have the protection of a fixed rate in statute. This common front to save the crow should decide what the position really is.

And he ended up by saying:

Perhaps it's time the NDP decided where exactly it stands on this issue. While consistency should never be assumed from politicians suffering from electoral hot flushes, it should be demanded.

And I guess so.

The practical people, Mr. Deputy Speaker, the practical people of the soil in this province saw through all the double talk and that's why on April 26, '82, the NDP were turfed out completely. And that is why another knockout blow was delivered yesterday in Prince Albert-Duck Lake by-election. And I must interject briefly to offer my congratulations to the MLA elect, Sid Dutchak.

SOME HON. MEMBERS: Hear, hear!

MR. HEPWORTH: — I'm sure all members in government look forward to his taking his seat in this legislature.

But the results of that election are not surprising, Mr. Deputy Speaker, not surprising at all, considering how the NDP have sold out this province on fuel prices. They've sold out this province on the constitution, the right to own land, the crow, and I could go on and on and on. One big sell-out.

Those results, Mr. Deputy Speaker, are not surprising, considering what we've heard the former premier tell the NDP masses at their annual convention last fall. Stay the course. Our policies are sound. Captain Titanic, head of the ship. We saw what happened with staying the course yesterday. Whoops, Mr. Speaker, I just found another clipping.

March 1, '82, *Leader-Post*, Saskatchewan Choo Choo. We all remember this as the proposal of the NDP to have another crown corporation. Probably would have called it Sask Loco. And what did this clipping say, Mr. Speaker? Well, the last line says it all: "Sounds crazy? Well, it is."

These guys might as well go and play with their toy trains. That's all the farmers of Saskatchewan can trust them with when it comes to transportation issues.

In closing, Mr. Speaker, I would just like to reiterate some of my thoughts on the crux of this debate, the Pegin proposal. It's simpler. It is unacceptable. No if's, and's or but's.

It sees farmers' input costs going up when they should be coming down. It is counter-

productive. Farmers would be penalized for success. They would be penalized for trying to grow more to feed the hungry peoples of the world. Everything over 31.1 million tonnes, pay the full shot. It's ludicrous. It should encourage production, not discourage it. And why? Because grain exports are the only bright spot in the dismal Canadian economy engineered by the Broadbent-Trudeau-NDP-Liberal coalition. It steals from the West to give to the East, just as they've stolen agricultural positions when they should be bolstering research, and nowhere has the Premier so eloquently outlined. Nowhere is there a concrete sign of ensured secondary agricultural industry development in Saskatchewan. No wonder our Minister of Agriculture said of Pepin's proposal, and I quote: "In a nutshell, there is nothing in it for the Saskatchewan farmer."

And I would suggest, Mr. Deputy Speaker, that if there is nothing in it for the Saskatchewan farmer, there is certainly nothing in it for Saskatchewan, for the Saskatchewan farmer is the backbone of this province.

I say, Mr. Deputy Speaker, that the federal government and the railways should get on with the upgrading of rail transportation. For the federal government it makes economic sense, as it does for the railways. It makes sense, and I believe they have a moral obligation to do that. If they do not, Mr. Deputy Speaker, that well-known board game, Monopoly, will become a reality, not just a game but a reality for Saskatchewan farmers. Indeed, the players will end up having to sell the farm and buy the railways, and it won't be the Reading Railroad or the Shortline Railroad, like in that well-known game, but it's the CNR and the CPR, for they'll be the only winners in this ludicrous proposal of Jean-Luc Pepin. For if Mr. Pepin has his way, the farmers will go down the tube and the railways will prosper.

People ask me, "Can the federal government be made to change its mind, and the people behind the plan, can they be made to change their minds?" And in answer to that, I am reminded of an old adage that goes something like this: the only person who can't change his mind is the person who hasn't got one.

I will be supporting the motion, Mr. Deputy Speaker, and I urge all members of the House to do likewise. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Deputy Speaker, the debate before us today is the most important debate in this session. I believe it's the most important debate since this government has taken office. Mr. Deputy Speaker, today is a time of reckoning. It's a time of alignments. It's a time to either put up or shut up.

AN HON. MEMBER: — You're either with us or against us.

MR. ENGEL: — That's right. Unless we act together in this fight to save the crow, unless we act together to save this crowrate, this constitutional guarantee that we enjoy here on the Prairies, I believe the plan will be scrapped before the end of the year.

What is the Pepin plan? The Minister of Agriculture in his remarks, and I listened very carefully, outlined some of the disadvantages that will happen to Saskatchewan farmers and Saskatchewan people in general if this crowrate plan is scrapped. But he failed to get on some of the topics that I feel are very essential and are the core and the backbone of the Pepin plan. The federal Minister of Transport announced this plan to destroy the crowrate on February 1. He made a great big pitch on how much this would

help the western farmer, western agriculture, and western industry, in general. Who is this plan really going to help? Who are the real benefits?

AN HON. MEMBER: — The railroads.

MR. ENGEL: — Right on. The minister says, “The railroads.” How did the CPR make out? How did the CPR make out regarding the Pepin plan? I’m sure my Tory friends opposite are aware of the value of CP shares. I’m sure the fellows with their investments are aware of what CP shares were worth. I imagine if you check your shares at the end of 1982, at about \$29 a share, it would have been a very wise move to hang on to those and sell them on February 2, because today’s CPR shares aren’t trading for \$29 like they were last month or a month and one-half ago. Today they are trading for \$42. They have gone up to \$42. Within two days of the announcement they were \$41, Mr. Deputy Speaker. Clearly, investors know that the Pepin plan will increase the profitability of the CPR. Investors were prepared to make payments in the stocks in CPR and have done that.

How does the federal government make out? They make a big deal about the large amount of money that they will spend, most of which benefits the railways, and the number of jobs that it will create. They say 375,000 person-years. No argument about creating jobs — we’re all for that. We’re all for stimulating the economy, but it isn’t really going to cost the federal government \$16.5 billion as they claim. Federal government estimates are that the unemployment of 84,000 Canadians for one year cost the federal treasury \$1 billion in lost revenues from corporation and personal income tax, and federal sales tax. That’s almost \$12,000 per person, Mr. Speaker. That doesn’t even count up the added burden of welfare costs — up to \$6 billion this year — more unemployment insurance costs, or the social cost of a workforce losing work experience, more family breakdowns and increasing despair.

The Pepin plan calls for 375,000 person-years. That means about \$4.5 billion more to the federal treasury in corporate and personal income tax and federal sales tax alone. In addition, there are many other spinoff benefits and reduced costs to the federal treasury. The federal government can expect to get most, if not all, of this money back. But what about the farmer, Mr. Speaker? What about the farmers’ plight? The farmers’ freight bill will go up from an average of about — today’s total is about \$150 million — to over \$1 billion by 1991-92. Sask Wheat Pool estimates that the freight bill to Saskatchewan farmers will go up from 100 million now to well over \$500 million by 1991. This could be a back-breaking load and will be a back-breaking load for farmers. Some are certain to go under, and I agree with the statements that have been reiterated by both government and my colleague — government members and my colleague — on the plight that farmers are going to face.

But Mr. Pepin always has an answer. He says farmers will have a good transportation system, and they will be producing so much more grain he says, up from 31 million tonnes to 41 million tonnes by 1991. If Pepin would have an ounce of understanding about western agriculture, he would know that that’s not the only way production can be increased by this amount. It’s through the application of tremendous quantities of inputs — fertilizers, weed sprays, chemicals, better seeds, etc. Those extra 10 million tonnes are not going to be at a lower cost of production; as you well know, Mr. Speaker, they are going to be very expensive to produce. Farmers are given no guarantees on price. The railways have a fine deal, all the guarantees they need, but not the farmer. That still leaves Mr. Pepin’s point about the fine transportation we will have.

And what about that system, Mr. Speaker? . . . (inaudible interjection) . . . Only 20 per cent of that capacity (he's gone on a holiday, by the way) to the West Coast will be needed for hauling grain. I'm not sure if the minister is aware of that — 20 per cent. In 1960, just over 20 years ago, almost all of the system was used for grain. If it's not grain that's taxing the system, it's coal, it's potash, it's sulphur, it's forest products. The CPR is a big operator in coal, importing coal. They are in potash at Cominco at Delisle, in sulphur at Cominco, and in Great Lakes Forest Products at Pacific Logging, etc. They are the ones that need the extra trackage and the extra capability. The original deal served the farmers' needs in the crowrate, the one offset for the farm in the confederation deal. Now he and all of Saskatchewan are expected to pay for the new system needed for the other products.

Minister Pepin also suggested that we'll have better rail facilities to the West Coast, and that these should be provided through public investment as needed, and that the Canadian public should have equity in the system in return. If the farmer is going to have such a good transportation system, Mr. Speaker, why is the branch line rehabilitation program being cut back by over \$260 million? That's on the assumption if it even continues to 1990. Mr. Pepin's announcement specifically singled out that the branch line rehabilitation program will be up for complete review in 1986. The program is already underfunded and could be scrapped altogether by 1986. It all fits a pattern. The railroads, the federal bureaucrats and Mr. Pepin won out on their battle that results in the prairie farmer being the one big loser. We had a cabinet minister from the West offered an alternative — Hazen Argue. And Lloyd Axworthy told newsmen recently that Argue's plan wasn't even in the running because he was the only one that supported it in cabinet.

There are other concerns about the Pepin plan. The door will be open to variable rates. New rates will be single-car based but the door will be wide open to special railway deals that will further hurt farmers, small communities, and all of Saskatchewan. Saskatchewan is going to be the big loser. There is no protection for the farmer. Nothing in the new structure takes into account his ability to pay. The farmer is simply being forced to pay more and more.

I recently got a copy of an eastern paper, the *Globe and Mail*, and it was quite a shock to see what the railways are saying about the Pepin plan. And Albert Sigurdson interviewed a vice-president, Mr. Walker. He is the western regional manager for the CNR and I thought the quotes that he makes are very interesting. It is very interesting on what his projections are should the Pepin plan be implemented, and he takes into account that the Pepin plan is going to be. I am quoting:

Some large-scale and efficient farmers and other shippers may demand lower rates if they are willing to truck grain longer distances to big mainline loading terminals rather than to the nearest branch line elevator.

They are already counting on that kind of a thing happening, and that is a very, very live possibility. Farmers who think that they are going to save some money will start trucking, and what's that going to do to a branch line? When he talks about how much money they're going to spend, when Ottawa talks about how much money the railways are going to spend in upgrading, he makes a very interesting revelation here as well, and he says:

But the railways say the actual amounts will depend on traffic and need.

I'm quoting from Mr. Walker, Mr. Speaker:

The effect of the recession on revenue and the lack of the expected pressure from traffic growths will defer a start of the mainline tunnelling contracts by at least a year.

So what's Pepin's big rush? There's not going to be any pressure on the branch lines for at least a year, and yet they're pressing to get it through. One more comment here.

"According to the new rules," he says here, "parliament must prorogue by June 30 for the summer recess according to the new rules of the House." That leaves four months to get the measure enacted. Mr. Pepin thinks a special committee will ride herd on it. He said the content has been so broadly discussed and embodies so many compromises and so much phasing in, plus provision for review, that the opposition parties will be hard pressed to find solid reasons for delay.

This is the kind of opposition we're against as far as Ottawa is concerned. It's good for the railways. The railways are openly saying, even before the Pepin plan was announced, that they are going to be deferring their expansion and their fancy extra facilities for at least a year, and here we have a government bringing forth a good motion, a motion, as far as the content is concerned and as far as what it says that the Pepin plan is doing, that is solid. The evidence is all in. But what are the governments going to do about it? What is the government's action plan?

Last week I listened to our Premier for very close to an hour, speaking at a conference in Saskatoon. Pepin's plan had been announced two weeks prior to that, and I never heard one word, in front of 500 farmers and press from right across Canada, I never heard one word from the Premier about an action plan. Here we were looking at Saskatchewan, and at agriculture and at the opportunities for tomorrow, and everything that has been said today (that I agree with) and the devastating blow it is going to deal to farmers and to Saskatchewan businessmen, and to the West in general, and not one word was said about the crowrate by the Premier. Here he was, making an introductory speech, opening up a conference to talk about agriculture and the future of tomorrow, and he had nothing to say about the devastating effect of the crowrate. I wonder why he was silent then? I wonder why he was silent?

That very date I urged the Minister of Agriculture to adopt an action plan, to take some action, to have some positive steps.

When I listened to the news just two or three days ago saying that the first thing we were going to discuss is a special resolution on the crowrate, I was excited about it. When we had a special resolution and a special debate on this very same topic, that we introduced, what did the government do? They watered it down. I wonder why you watered it down. Our action plan called for a plebiscite for prairie grain producers and an attempt to form a prairie alliance against the Pepin plan: get together with the three premiers. Since the Pepin plan has been announced, the four western premiers got together at Swift Current. How come they didn't come out with an alliance? How come they didn't talk about the importance of this issue? Why didn't they make a statement? Nothing was said.

I asked for a special delegation to be funded to go to central and eastern Canada, and that the Devine government should immediately organize a special delegation to visit

there and they would explain Saskatchewan's position on the crowrate, explain our opposition to the Pepin plan, and detail the disadvantages which the Pepin plan holds for the people in this part of Canada. This special delegation should include representatives of broadly based farm organizations.

The minister got up and he talked about the groups that were involved in the conference at Saskatoon. He talked about and named these 11 groups that voted on the Pepin plan and their reasons for opposition. He lumped the Sask Wheat Pool in with the group that maybe has four members, maybe a dozen. I don't think there's more than a dozen members in that one group. He called them all as voting. The eastern press picked up that vote saying that only three farm groups in Saskatchewan were opposed to change the crow and the others said that the farmers can't afford to pay quite that much. That's the message he tried to portray with that conference: conducted a vote as saying that all 11 were equal voters. That isn't the case at all.

Why didn't he say what the population was they represented? One pool vote. The one pool vote was more people than everybody else that was there. It represented more farmers. Yet that's the message we sent to Ottawa from this government. That's what Saskatchewan said across the eastern press: that out of 11 only 3 voted in favor of maintaining the crow as is. That's not the message we're trying to say.

Today I think the tears that you're crying are great. I like to hear what the minister said. I like to hear his steps on why the crow is bad. But I didn't hear anything on what he's going to do about it besides talk. The time for talk is over, Mr. Speaker. It's time to start a war. If I'm in a war, I want to know who the opposition is. I want to know who I'm trying to . . . (inaudible interjection) . . . Who's got the floor, Mr. Speaker? When I'm in a war, Mr. Speaker, I want to know who the enemy is. I want to know who the sides are. I like the idea of uniforms so the armies are dressed up and you can see who your enemy is.

Part of our action plan . . . (inaudible interjection) . . . Yes, Point 4, if the opposition will . . . (inaudible interjection) . . . That's right. That quote, that the Minister of Finance says that he was the enemy and decided it was me, that's the right one. Point 4, Mr. Speaker, if I can get their attention . . . They read it because it was a public letter and I addressed one to the Minister of Agriculture. Point 4 was an immediate meeting with the Premier and Erik Nielsen. Saskatchewan's Premier should meet with the new Leader of the Opposition in parliament at the very earliest opportunity. The Premier should get Mr. Nielsen's assurance that all the Conservative members in Ottawa support the crowrate and will do everything possible to prevent the Pepin plan from becoming law. And I'm not sure. I'd like to have these members stand up and tell me where their colleagues in Ottawa stand on the crowrate. I'd like to know which of them are friends and which are the foe. I'd like to know. I'd like to go to a caucus meeting in Ottawa and listen to the Premier talk to his colleagues and see them lined up and see how many of them are friends and how many are foes.

I can go to a caucus meeting in Ed Broadbent's caucus, Mr. Speaker, and we got a 100 per cent commitment that they will fight with every ounce of their strength to keep this Pepin plan from being enacted. All I am asking today is that we get together and have the same commitment from our colleagues in Ottawa, from all our colleagues. You've got a lot more colleagues in Ottawa than I have. And you know with that privilege comes a very great responsibility, because those colleagues are able to stop the Pepin plan. If you can mobilize them to even talk about it, let alone do anything, if you can just get them to talk about it, we can stop the Pepin plan. And that's the challenge I place before you.

I'm not the only one, Mr. Speaker, that came up with an action plan. Saskatchewan Wheat Pool, letter dated February 21, memorandum to delegates. I want to read into the record a resolution from their meeting.

The following resolutions were passed and considered by the board of directors on Friday, February 18:

1. The Saskatchewan Wheat Pool rejected the Pepin proposal in its entirety.

Great. The same thing as we did here today in this resolution — rejected it entirely.

2. That, whereas the Pepin plan for transportation has been rejected by Saskatchewan Wheat Pool delegates, our position is that farmers will not consider sharing future freight costs until the federal government accepts the 17 principles of our policy. Until then farmers shall not pay one cent more freight.

3. That this meeting accept these six basic points as general guidelines in carrying out the fight against the Pepin plan.

And I want to emphasize that. This is a fight. This isn't time for talk. Talking is past.

- (1) Involve the federal agriculture and transportation committees in meetings in western Canada, (2) Involve members in a massive letter writing campaign.

And I might just make a little interjection here. I went to a crow retention meeting up in Shellbrook and a member sitting in this House — a local member and he was a good MLA and I never stood up to raise any issue or say anything. I respected his position as their member — got up and he pleaded with 150 farmers and said, "Write me a letter. Tell me that you're concerned about the crowrate and I'll convince my minister to get involved in action. I hope you'll follow through on that. I really hope you do."

- (3) Conduct a Canada-wide media campaign directed at creating an awareness of the implications of the Pepin plan.

They're going to spend some money on advertising.

- (4) Hold producer meetings throughout the province (a) for all members of the community . . . (not just for the pool, for all members of the community), (b) dialogue with members of other western organizations to develop a similar voice.

- (5) March to Ottawa.

- (6) Maintain a strong lobby group in eastern Canada.

That's part of point three.

4. That Saskatchewan Wheat Pool prepare and organize the signing of a petition to clarify to members of parliament and eastern people the concerns that western producers have about a Pepin plan and the repercussions

thereof, followed by a delegation to Ottawa.

5. That the three prairie wheat pools immediately establish a temporary office in Ottawa to lobby members of parliament and to act as an information office.

You have lobby opportunities open to you. You have a caucus in Ottawa that is affiliated with you — a political affiliation. I said: “that privilege.” And I know the Minister of Finance wants me to be quiet. He doesn’t want to hear an action plan. He doesn’t want to hear a plan that will motivate members in Ottawa. I suggest to you that you have an opportunity to lobby your caucus in Ottawa. You not only have an opportunity, you have the responsibility, because how they vote is going to be held on your head and you’re going to be held responsible for how your colleagues in Ottawa vote on this one.

And the final point that Sask Wheat Pool makes:

That the Saskatchewan Wheat Pool establish a special task force to lead and co-ordinate the proposals developed to date.

Now, I don’t know if there’s a special cabinet committee here that the Minister of Agriculture has established to bring this problem together. I don’t know if there’s an action plan that you have designed. I heard beautiful, eloquent words but somehow those words ring so hollow when it comes to condemning the CPR. They ring very hollow. My colleague for Shaunavon detailed and gave a pretty good reason why those words ring hollow in Ottawa.

I have a little sheet here that talks about political donations by party to the Canadian Pacific Railway company. The Liberal Party of Canada in 1981 received \$25,000; in 1980, \$35,000; in 1979, \$35,000; in 1978, \$25,000; for a grand total of \$120,000. Guess what, Mr. Speaker? Those very same numbers are in a row above that under Progressive Conservative Party — exactly the same amount of money of contributions. That’s why we have silence from the party opposite when it comes to condemning the CPR. And that’s why we have the hilarious laughter when we talk about the great amounts of money that the federal government is investing in branch line rehabilitation. And they don’t want that to be ownership. That’s why they’re laughing about it.

I don’t realize that there’s a time limit, Mr. Minister of Finance. I have some words to say, and I’m going to jolly well take enough time to say them . . . (inaudible interjections) . . . Okay, well then, be quiet and listen, Mr. Member for Moosomin. If you want to hear, give your colleagues a chance to hear too and be quiet and listen.

I outlined my action plan that I recommended that you take care of, and so consequently in conclusion I want to read an amendment that I’d like to make at this time, seconded by my colleague, the member for Pelly that the motion be amended by adding the following after “Pepin plan” in its entirety:

That this Assembly further affirms its support for the fundamental principles of the statutory crowrate including a rate for producers fixed in law, the payment of any revenue shortfall by the federal government to the railways, equal rate for equal distance as through a per tonne per mile producer rate fixed in law.

That this Assembly further urges the Government of Saskatchewan to join forces with the Saskatchewan Wheat Pool, the National Farmers' Union, the Saskatchewan Association of Rural Municipalities and the Saskatchewan Federation of Agriculture to fight the Pepin plan by the following means:

1. To organize a plebiscite for Saskatchewan grain producers with the participation of other producers to allow them to choose among the Pepin plan, the Argue plan and the existing crowrate.
2. To organize a Canada-wide media campaign to inform Canadians of the implications of the Pepin plan.
3. To encourage the signing of a petition to show members of parliament and other Canadians the concern Saskatchewan people have about the Pepin plan.
4. To encourage a special delegation to central and eastern Canada to explain Saskatchewan's position on the crowrate, our opposition to the Pepin plan, and to outline the negative effects of the Pepin plan to other parts of Canada. Such delegation to include representatives of the organizations listed above. The delegation to meet with members of parliament, farm groups, journalists and representatives of various interest groups.
5. To seek the support in writing from our opposition to the Pepin plan and the retention of the statutory crowrate from the federal caucuses of the Progressive Conservative Party and the federal caucus of the New Democratic Party, the Premier of Alberta and the Premier of Manitoba.
6. To take such other steps as necessary to fight the introduction of the Pepin plan.

I so move.

HON. MR. ANDREW: — Mr. Speaker, I would have a few words to say with regard to the motion and the amendment. It seems to me that what we are talking about with regard to the Pepin plan is that finally the federal government has stated in final terms what they intend to do with regard to western transportation, and the impact which that particular plan is going to have, particularly on the province of Saskatchewan. I think we talk very often about western Canada. I think we have to look at this through the eyes of the people of Saskatchewan, how it's going to affect the farmers of the province of Saskatchewan. I think the Premier made reference today to many of the impacts it's going to have and the far-reaching impact that particular policy is going to have.

I see the members opposite when they come up to speak, they say the same things that they said going into the election campaign of March 1982. They say the same things which they used in their campaign literature. The reality of the world out there, my friends, is (and I say this to everybody in the Assembly) that the federal Liberal Party as they have demonstrated over the years, particularly the last two or three years, don't listen very much to the views of the province of Saskatchewan. We simply have to look at what happened when the federal Liberal Party came down with the constitution and they said, "Here it is." Not many people out here liked it, but they said, "Here it is," and in effect, for all intents and purposes, they brought it through. When the budget came

down a year and a half ago they said, "Here's the national energy program folks." Nobody liked it very much. We squealed and yelled and cut off the oil, and the national energy program came through.

But there aren't any Liberals out here represented in Ottawa. It's a majority government down there and I question the reality of how much they're listening to us. So if you go back to the way they handled the constitution, and the former premier knows this all too well, the strategy of the government at that time has been the same strategy of the government on this plan. You divide and then you conquer. You divide the provinces up and then you conquer them on the constitution. On this particular situation you divide up the farm groups, and you have them coming this way and that way and you conquer them. That's exactly the strategy they followed here. And that's the same policy or strategy that we, once again, have fallen into. So the reality that we have to face, as politicians, it seems to me, is two things. Do we want to play politics with this for the next six or seven months? Are we going to recognize the impact that this is going to have on the Saskatchewan farmer and on the Saskatchewan government and the coffers of our province, and are we going to try to stop it? Because, quite frankly, if we go with the divide-and-conquer mentality, we're going to lose. That's the reality of it; we're going to lose. So have we the resolve to address this question, as legislators and as elected members of this province? Do we have the resolve to do that?

We can spend all day cutting back and forth that CPR gave the federal Tory party some money. So what? So what? They gave nothing to the Progressive Conservative Party of Saskatchewan, Mr. Premier, and we owe nothing to the CPR in this party. And we owe nothing to the CPR in this government.

So that's the system that we will follow. Because, gentlemen over there, I don't think you really want it. You want the politics of it — just like you wanted the politics of it when you went into the election last year. You weren't concerned about the crow as much as you wanted something to go, you wanted an issue to go to the people of Saskatchewan. Because they were going to use that issue and they were going to sweep back into power. They were going to sweep back into power, Mr. Speaker.

Well, the farmers and the people of Saskatchewan called your bluff, called you bunk. Now you continue with. Now you continue with it. I ask you: are you wanting to put politics in this question, ahead of doing something to stop it? I throw that challenge out to you. I throw that challenge out to you, and I ask you: will you support the motion advanced by the Minister of Agriculture and by the Premier? I challenge you people to support that, because then we take that position. Then we take that particular position, Mr. Speaker, we take that position, and then we must find the resolve and the support to avoid the divide-and-conquer theory. Because without it, we're going to lose. Without it we're going to lose, and the impact that's going to have on the treasury, on the people of Saskatchewan, and on agriculture, is going to be horrendous.

So you say: what are we going to do? The member for Assiniboia-Gravelbourg was not in his seat when the Premier spoke today. But the Premier made a statement today, Mr. Speaker, that is fundamental. It is fundamental to the way we look at Saskatchewan. It is fundamental to the way we address problems. And what we have said is that: should that plan go ahead, we are prepared to use the treasury of the province of Saskatchewan; we are prepared to put the money where our mouths are, Mr. Speaker. And that's something you never did in government. That's something you never had the courage to do — whether it was housing or anything else. That's what you have to do, and we are prepared to do that, Mr. Speaker . . . (inaudible interjections) . . . Now,

now, now.

Here's the difference, Mr. Speaker. Here's the difference, Mr. Speaker. Your proposal in government was not to help the farmer, Mr. Speaker. It was to buy the railroad. You tell me if that's putting money where your mouth is — to the assistance of the farmers of Saskatchewan. I say no. I say no, and I challenge you to support that motion put forward. And I challenge you to go out and get people to support that motion. You said yourself, it's a motion we could support, all of us. It's maybe a motion that can be supported by the entire population of Saskatchewan and the bulk of the farm groups of Saskatchewan. If we can do that, Mr. Speaker, that's step one. That's step one, Mr. Speaker, toward that, toward that situation.

Well, we talked about the federal Tories. The federal Tories are not in power, Mr. Speaker. The federal Liberals are in power, and they have a majority government. And in the past they have demonstrated, with that majority government, that if they put a policy out, they're going to take that policy. What the Premier said today, Mr. Speaker — and I think the Leader of the Opposition was the only one over there who really understood what he was saying, understood the impact that we were going to have, understood the unfairness of the system, understood the unfairness of looking at structural changes here — was that you don't look at structural changes over here. And therein is the problem. It's a massive problem. We are being treated unfairly, as unfairly as we ever have been.

The Assembly recessed until 7 p.m.