

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 17, 1983**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**WELCOME TO STUDENTS**

**MR. FOLK:** — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the members of this Assembly, a group of 18 students from the School for the Deaf in Saskatoon. They are accompanied today by their teacher, Mrs. Paula Collver Marinson, as well as Rita Smysnuik, Elaine McDonald, Allan Reine, and Joan Coupland. I'd like to mention to the group that I will be pleased to meet with them following question period for pictures and refreshments, and I would ask all hon. members to welcome them here today, and extend their best wishes for an enjoyable and informative session here this afternoon. Thank you very much.

**HON. MEMBERS:** — Hear, hear!

**MR. SCHMIDT:** — Mr. Speaker, I would like to introduce to you, and through you to this Assembly, a group of 20 students from Killaly Junior High School in Killaly, Saskatchewan, in grades 7, 8, and 9. They are seated in the west gallery with their teacher, Mr. Paul Nieminer, and their bus driver, Mr. John Baer. I want to advise them that I will be meeting with them at 3 p.m. for pictures, and I hope they have an interesting and educational stay with us here. I'd like you to welcome these students from Killaly, please.

**HON. MEMBERS:** — Hear, hear!

**QUESTIONS**

**Notice of Proposed Legislation**

**MR. SHILLINGTON:** — Thank you very much, Mr. Speaker. It's a question to the government House Leader. This is the 42nd day of this legislative session, and to date your government has brought forth such weighty legislation as The Human Tissue Gift Act. You caused near rioting with The Change of Name Act. A state approaching anarchy has been brought to this province with The Time Act, and the next one I'm not even going to comment on — An Act to repeal The Artificial Insemination (Animals) Act.

My question, Mr. Minister, is . . . There is no sign yet of anything that could be termed your major legislation. My question is: can you assure this Assembly that you'll be at least serving notice of first reading of some of this legislation today?

**HON. MR. BERNTSON:** — Well, Mr. Chairman, I'm not sure what the hon. member would call major or weighty, but in fact there was notice of several pieces served today, and there will be notice of some pieces tomorrow and the following day, and we can keep serving notice for as long as you keep asking us to serve notice. There's lots to do.

**MR. SHILLINGTON:** — Mr. Minister, you have apparently misunderstood my question.

Some of the legislation which you have indicated you're going to come forward with is not legislation being requested by the opposition. My request for you, Mr. Minister, is not that you give notice of it, but that if you're going to give notice of it, you'll give us reasonable warning and provide the opposition with the traditional courtesy.

Mr. Minister, I'll say this, if I might be allowed the privilege. This is without precedent to be on the 42nd day of the session and to have . . .

**MR. SPEAKER:** — Order. The hon. member is making statements, but while this is question period, if you have a question, please get to it.

**MR. SHILLINGTON:** — The question, Mr. Minister, is: do you plan to proceed with all of the major legislation promised in the throne speech before we leave, or do you plan to leave some of it on the order paper and be dealt with at a later time — in the fall perhaps?

**HON. MR. BERNTSON:** — Well, Mr. Speaker, our intention is to deal with as much as we can before adjournment in the spring, if in fact we decide to adjourn as opposed to prorogue. I personally would argue that we should adjourn. One of the major pieces of legislation that we were going to bring forth was agricultural commodity check-off for research purposes, and obviously we would be ill-advised to bring that legislation forward at this time because the feds are also scurrying about the countryside conducting hearings as to whether they should bring in such legislation, and we would be ill-advised to bring in legislation that would run parallel to theirs. So that's one that's up in the air.

In fairness to the people who are in the dungeon (back wherever it is) doing all the drafting, they have done a great deal of drafting. The reorg bills took up a lot of their time and we expected that you people would have something to say on the reorg bills. But you had nothing to say on the budget; you had nothing to say on the Speech from the Throne; and you've had nothing to say on the reorg bills and we don't expect you'll have anything to say on the major bills when we bring them through; you've got nothing to say in question period.

We're going to bring the legislation forward as it's prepared and ready, and we will deal with it as it's ready. And I invite members opposite to participate in the debate and give it the fullest of debate.

**MR. SHILLINGTON:** — New question, Mr. Speaker. Mr. Minister, there has been more time spent on estimates during this session than in any recent session. And I ask the minister to review the record. I'd also say, Mr. Minister, that you have exactly the same staff available to draft your bills as former governments did, and they brought in more legislation than you've considered. And if that isn't good enough, the private bar is available to assist you. My question is: why wasn't the legislation, some of the major legislation, given first reading well before the 42nd day of the session?

**HON. MR. BERNTSON:** — Give me the question again . . . (inaudible) . . .

**MR. SHILLINGTON:** — Why wasn't your major legislation, with which you apparently intend to proceed, given first reading well before the 42nd day of the session?

**HON. MR. BERNTSON:** — And we have confidence in the same people that you had confidence in drafting, and unfortunately they had a plateful as well drafting the reorg bills — a very significant amount of drafting going on there. The northern

municipal legislation is large and complex; the co-op legislation, large and complex, and they've been busy. And I make no apology for that. And I will do everything in my power, as House Leader, to accommodate the members opposite, to see that they do have ample time to review the legislation before they have to present a case in this House.

**MR. SHILLINGTON:** — A supplementary. Let's be honest, Mr. Minister. Isn't this unprecedented delay in introducing major legislation simply a tactic to minimize the amount of scrutiny the legislation's going to get in this opposition and in this province?

**HON. MR. BERNTSON:** — What is unprecedented, Mr. Speaker, is the inability of members to understand how this place works after they've been around as long as they have, because clearly the first legislation that has to get through is reorganization legislation because the other legislation can't be proceeded with, for the most part, until the reorganization legislation is dealt with. The reorganization legislation has now been dealt with, and we're proceeding with the balance of the legislation to come forward.

**MR. KOSKIE:** — I want to pursue this with the minister, and I'd like to ask the minister: why won't you table some of the major legislation, as we did in the past, in the fall session, and then subsequently deal with it in the spring session? Why in fact don't you table some of your major legislation, as you have indicated . . . (inaudible interjection) . . . Well, the Attorney-General, the Minister of Justice, is storming around. Too bad.

I want to know why you won't table some of the major legislation, and if you in fact intend to adjourn the session, to give the people of Saskatchewan an opportunity to take a look at the legislation and to have some input in it. Why wouldn't that be the most efficient and most reasonable method of approaching it?

**HON. MR. BERNTSON:** — I think the member makes a valid point, that major legislation should be tabled in the fall to allow ample opportunity to review and prepare arguments, etc. But while he makes that valid point, it wasn't what the previous administration did when they were in power. I can remember Bill 1 and 2 dealing with the potash take-over, and I can remember, although I wasn't in the House at that time, Bill 46, when you literally raped the oil industry in Saskatchewan. And those bills were just brought to the House and rammed through, and I think there was something like 50-odd days debate on the potash bills.

And I'm not suggesting that you would want to debate any legislation that we would table that long. But, Mr. Speaker, quite simply, as the legislation is prepared it will be tabled, and there will be ample opportunity for the members opposite to present their case, and they can sit here as long as they want. I've got no desire to rush off into the sunset and leave this place. I'm going to love it, and I invite all hon. members to stay here with me and deal with the legislation.

**MR. KOSKIE:** — Well, in your budget, Mr. Minister . . . Supplementary question, Mr. Speaker. In the budget you indicated, or you have been in discussion at least with one interest group, and that is the amendments to The Trade Union Act, and certainly there's been consultation from your buddies, the chamber of commerce. But I want to say, Mr. Minister, that there are a large number of trade unionists who are concerned in respect to the amendments, and I think that if you have an open government you can

not in fact introduce it and expect it to be passed in a short length of time. I think that there should be a process of consultation. What are you afraid of? Why won't you introduce that bill and allow the trade union movement to have a look at it?

**HON. MR. BERTSON:** — One thing, as you grow to know me, Mr. Speaker, is that I'm afraid of only one thing, and that's my wife. And, Mr. Speaker, as it relates to the labour legislation that he's talking about, the Minister of Labour, who would be responsible for carrying that legislation, is off caressing some of the customers that the previous administration had offended in hopes of enhancing our position in the international market-place, Mr. Speaker. But it's my understanding that he's going to be in this House on Friday to introduce that legislation.

#### **Char Inc.**

**HON. MR. BLAKENEY:** — Mr. Speaker, I would like to direct a question to the Minister of Economic Development and Trade, formerly the minister of industry and commerce, and I'm referring to a press release issued on April 6th referring to a new industry that was reported, called Char Inc., and I quote from a portion of the press release which reads as follows:

Mr. Rousseau noted that his Department of Industry and Commerce assisted Char Inc. in compiling market data together with locating suitable premises.

Does the minister have any information as to what premises were located for Char Inc.?

**HON. MR. ROUSSEAU:** — No, I don't, Mr. Speaker, and I take notice of that question. Is this the Estevan company that you're referring to? The question on whether we helped them locate, the location? Well, I don't know the specific answer to the question, Mr. Speaker, but I will inform the hon. member that in fact my department does have that assistance available to any company or industry that wants to locate in the province of Saskatchewan, or who's already here and wants to find a new location. And the information is now compiled and computerized, and anyone who wants that assistance in assisting them in finding something suitable for their operation, we'd be very happy to help them do that.

**HON. MR. BLAKENEY:** — Mr. Speaker, a supplementary. To remind the minister of the terms of the press release again: Mr. Rousseau noted that his department had assisted Char Inc. with locating suitable premises. My question then is: will the minister concede that the premises located in, at, or near Estevan are premises owned jointly by one Darwin J. Sawyer and George D. Hill? Will he concede that point?

**HON. MR. ROUSSEAU:** — No, I won't concede it. I don't know. I will find out, and as I've said I'll take notice of the question and provide you with the information. I don't keep tabs on every industry that locates and specifically who owns the property. All I indicated, Mr. Speaker, is that anyone who needs assistance in finding property, we will so assist them.

**HON. MR. BLAKENEY:** — A further supplementary, Mr. Minister. Reminding the minister again of his press release saying that his department assisted Char Inc. with locating suitable premises, will he in seeking information find out whether the George D. Hill referred to is the same George D. Hill who was vice-chairman of the board of the Saskatchewan Power Corporation, and the same George D. Hill who is the past-president of the Progressive Conservative Association of Saskatchewan?

**HON. MR. ROUSSEAU:** — Mr. Speaker, I've already indicated that I would be happy to take notice of the question and get the specific information that the Leader of the Opposition is looking for. But it almost sounds to me from the questioning, or the kind of questioning that's coming on the issue, is that they don't want my department to assist industry to locate in the province of Saskatchewan, or perhaps, even going a step further, maybe they don't want industry to locate here at all. I don't know.

### **SPC Application for Rate Increase**

**HON. MR. BLAKENEY:** — Mr. Speaker, new question to the Deputy Premier, in the absence of the minister in charge of the Saskatchewan Power Corporation. This has to do with the testimony of the Saskatchewan Power Corporation officials before the public utilities review commission, and to do with their submission that not only will they be asking for increases this year in excess of 20 per cent on electrical rates but that next year SPC will need a minimum electrical rate increase of 17 per cent on top of the increase already being requested. My question then is this: do you and your colleagues accept SPC's arguments that it needs rate increases in excess of 20 per cent this year, and in excess of 17 per cent next year, in order to balance the books?

**HON. MR. BERNTSON:** — What I would accept, Mr. Speaker, is that PURC (public utilities review commission) be allowed to hear the arguments, whatever they may be. And I have no idea what they may be, and I have no idea about the situation of Sask Power, not being very close to it. But I would expect that PURC be allowed to hear those arguments, and PURC be allowed to make its decision as to what Sask Power may be able to . . . how it may be able to adjust its rates.

**HON. MR. BLAKENEY:** — Mr. Speaker, a supplementary. I ask the Deputy Premier how he squares that comment with his comments of 18 months ago alleging that increases much smaller than the ones now requested by his government were consumer rip-offs and unwarranted increases. How can increases of 10 or 12 per cent 18 months ago have been unwarranted increases, and now increases of 20-plus per cent and 17-plus per cent be apparently acceptable to him and his colleagues?

**HON. MR. BERNTSON:** — Well, I'm not suggesting for a minute that 18 or 20 per cent are acceptable to me or my colleagues. I think that Sask Power management is under some obligation to put together their case and take it to PURC. We said back on April 26 that we were going to bring in a public utilities review commission as well. We did that. Now you ask me how we square that with the rates back then being a rip-off. I guess the simple answer is: we didn't realize how badly managed Sask Power was. We didn't realize that that \$7 million that you were spending annually to extol the virtues of your fine family of Crown corporations was really cutting into the profitability of the Crown corporations, particularly those utilities. And I guess . . . (inaudible interjection) . . . A hundred million for what?

And all of those things, Mr. Speaker. So I guess what I'm saying is that we didn't know what we were inheriting, number one. Number two, the decisions that are made by PURC (public utilities review commission) are decisions that will be made by representatives of the public at large, and free from political influence.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Is the minister saying that the Saskatchewan Power Corporation headed by his colleague, the Minister of Labour makes requests for rate increases which are more than is necessary? That are more

than he thinks are reasonable and fair? How can he suggest that his colleague is making requests which he is now attempting to repudiate on the grounds that they may well be too much?

**HON. MR. BERNTSON:** — If you will review the record, Mr. Speaker, I'm sure that you will find no place where that was said — certainly by me. What I say, Mr. Speaker, and I want to make it as clearly as I possibly can, was that the management of Sask Power obviously is under some obligation to present their case to PURC (public utilities review commission). And obviously PURC will hear their case and call them in to defend it. And PURC will make the ultimate decision free from political influence.

**HON. MR. BLAKENEY:** — Supplementary. Is the minister asserting that the applications to PURC are made by the management, or will he agree that applications to PURC are made by the corporation, namely the board of the corporation, headed by his colleague the Minister of Labour?

**HON. MR. BERNTSON:** — I suppose what you've got is a technical question that a humble farmer like myself wouldn't bother himself with. But the reality is, Mr. Speaker, that management would present the case, gather the data, etc., etc. And I'm sure — although this is the way I would see it happen — I'm sure that it would be presented on behalf of the board, by management. Because obviously the board is the boss. I would expect that's the way that it would work.

**HON. MR. BLAKENEY:** — Short supplementary. I take it from what the minister says that he concedes that the management are not making this application on their own behalf, or on their own initiative, but at the direction of the board, and that accordingly, any responsibility for the application and for the figures requested therein must rest with the board and with his colleague, the chairman of the board, the Minister of Labour.

**HON. MR. BERNTSON:** — If that's what we've been trying to get to for the last 15 minutes, I'm sorry I didn't say at the outset that we do believe in ministerial responsibility.

### **Funding Cuts for the Deaf**

**MR. LUSNEY:** — Thank you, Mr. Speaker. I have a question to the Minister of Social Services. This is becoming almost a daily question, Mr. Speaker, one that would make us wonder which volunteer social services department is going to get its funds cut next. Yesterday it was the native people; today it happens to be the deaf. Madam Minister, can you explain to this Assembly why you have cut the funds for the Saskatchewan Co-ordination Council on Deafness?

**HON. MRS. SMITH:** — Mr. Speaker, actually it's a treat to respond to this member. It's the first question I've had from him, I believe, in a year's time. If it's becoming a daily occurrence, I assure you it's only in your dreams. I haven't heard from you until today.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. MRS. SMITH:** — I would gladly respond to your question on services to the deaf, particularly direct services. In 1982-83 when we came into government, we had the opportunity to put in a grant that went to an organization to do with hearing impairment. And that was to deliver a direct service of interpreter service to the deaf

people, as you see in the Speaker's gallery if you would look over your head. In 1983-84 that grant was increased from \$45,000 to \$71,000, to ensure that the direct service to allow accessibility to the deaf, like they are getting here today in communications, is strengthened. On top of that we are spending approximately \$180,000 for telewriter service which is for the deaf community in the province of Saskatchewan for the year '83-84.

I guess, when you're talking about the co-ordinating council, one of the questions that comes to my mind is: how often do we have to co-ordinate other bodies? Do we keep adding to it, or do we look at the issue of the direct service? This government has looked at the issue of direct service — that it has to be strengthened. And that's where we put our priority as opposed to your priority on the co-ordinating factor.

**MR. LUSNEY:** — Mr. Speaker, Madam Minister, I'm pleased to hear that she thinks that some of the issues that we have been dealing with and not necessarily myself, but some of my colleagues, were only a dream. I might add, Madam Minister, that it's not a dream to many of the organizations that are being cut in this province, even if they are a co-ordinating organization. On the co-ordinating council on deafness, Madam Minister, do you really feel that a \$7,000 grant was one that was too much really to provide for them, to provide an assistance to the people that have a hearing impairment? Do you really feel that \$7,000 was more than this government could afford?

**HON. MRS. SMITH:** — Well, Mr. Speaker, I can ask the same question of the past government in February-March of '82 when you couldn't find \$45,000 to fund an organization like SHIP (Services for Hearing Impaired Persons, Inc.) that has a direct service to the deaf. The issue is not the number of dollars. When we looked at the total NGO sector, it was one, as you are well aware of, that's been stated in this House many times, to rationalize the service — direct service, advocacy service. How much can you handle in each given area?

I would suggest to you that organizations, particularly the telewriter service and the organization of SHIP, although they give a direct service, they are also very capable of being an advocate on behalf of their clients.

## **MINISTERIAL STATEMENTS**

### **Government's Actions Re Bill C-155**

**HON. MR. BERNTSON:** — Mr. Speaker, the federal Liberal government has announced that it is invoking closure on second reading debate in the House of Commons on Bill C-155. As all members know, this is the legislation that will abolish the Crow's Nest Rate and impose on our farmers a burden that will have a devastating effect.

Our government has been in the forefront in Canada in opposing this legislation and insisting that any changes to grain freight rates be accompanied by fair and rational incentives and benefits to those of our farming community.

I wish to inform the Legislative Assembly that I have already made representations to appear before the standing parliamentary committee on transportation when it studies Bill C-155. When I do appear before that committee, I would like our government to present Saskatchewan's case in its fullest and broadest sense. This is not a partisan political issue in which one political party, or one segment of our farming community should be trying to gain points over the other. This is an essential issue of great concern

for all our residents.

This legislation poses a threat to every segment of our agricultural community. The plight of the grain farmer or the plight our grain farmers will find themselves in, should this legislation pass, has been well publicized. It could also literally destroy our cattle industry, and as a government we are pledged to protect and enhance the role of our beef producers. We can never accept that our plans for expanding, finishing, and slaughtering of our cattle in this province should be torpedoed by outsiders.

Therefore, I would like to offer the opportunity to both the hon. member for Assiniboia-Gravelbourg, the opposition agriculture critic, and representatives of our agricultural organizations, to accompany me to Ottawa and assist in presenting our province's viewpoints on this issue to the committee. Only by showing the federal government a completely unified front can we hope to see just as sensible changes made to this legislation or stop this legislation altogether. We must avoid falling into the carefully calculated trap set by the federal government to divide us on this issue and thereby conquer us.

All segments of Saskatchewan's farming, economic, and political community must unite on this issue and strive to achieve for our people changes to this legislation that will benefit not only our province, but Canada as a whole. In Ottawa today, Mr. Speaker, at this very moment, the Conservative opposition is, on a motion of adjournment of the House, ringing the bells in an effort to delay the legislation and in an effort to bring the federal government to its senses on the question of closure. Our government is doing everything in its power to protect the grain farmer, the cattlemen, the pork producer, and every other farmer in this province from this outlandish attack. Therefore, I would ask all hon. members, and particularly the hon. members opposite, to endorse the invitation offered to present the case in Ottawa.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. MR. BLAKENEY:** — Mr. Minister, I want to welcome the initiative put forward by the member for Souris-Cannington, the Deputy Premier. I was a little concerned about his suggestion that what the group ought to seek is changes in the legislation. My belief is that Bill C-155 ought to die, and that the current legislation ought to stay on the . . . The Crow rate ought to stay. The statute which provides it ought to stay in the statute book and does not need change. C-155 does not need change; it needs burial at the earliest and most propitious moment.

With respect to the united front, I want to advise the Deputy Premier that we share his view of the desirability of having a united front, not only in Saskatchewan but here on the Prairies. We have done what we can to get our party confreres in Alberta and Manitoba to agree with us, and he will know that that has been achieved with respect to the resolution which he introduced in this House, and it has been a matter for regret, on our part, that he has been unable to get his colleagues in Alberta to agree with him on the nine points of the resolution. It may well be that their support can be recruited, at least in opposition to C-155, and if so, that will be progress.

I want to advise the Deputy Premier that I too have already written to the standing parliamentary committee on transportation, asking for an opportunity to appear before the committee. And I think we will have to consider whether or not two appearances will make more impact than one, but we can assure the hon. member that we will be supporting . . . I expect we will, depending on what he is going to say, but I expect that

we will be supporting the initiative that he puts forward, and certainly to the extent that it opposes Bill C-155, we unhesitatingly support that initiative. If he has other proposals for changing it, we obviously have reservations about that.

We look forward to the government opposite, as we say, belatedly taking the initiative in opposing the Pepin plan, and the Gilson plan on which it is based, and we trust that every effort will be made to recruit the support of all of the party colleagues of members opposite, wherever they may be in Canada, to support the cause which he has enunciated here today.

### **INTRODUCTION OF BILLS**

#### **Bill No. 50 — An Act to amend The Public Utilities Companies Act**

**HON. MR. ANDREW:** — Mr. Speaker, I move first reading of a bill to amend The Public Utilities Companies Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 51 — An Act to amend The Oil and Gas Conservation Act**

**HON. MR. ANDREW:** — Mr. Speaker, I move first reading of a bill to amend The Oil and Gas Conservation Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 52 — An Act to amend The Religious Societies Land Act**

**HON. MR. SANDBERG:** — Mr. Speaker, I move first reading of a bill to amend The Religious Societies Land Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 53 — And Act to amend The Non-profit Corporations Act**

**HON. MR. SANDBERG:** — Mr. Speaker, I move the first reading of a bill to amend The Non-profit Corporations Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 54 — An Act to amend The Business Corporations Act**

**HON. MR. SANDBERG:** — Mr. Speaker, I move first reading of a bill to amend The Business Corporations Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

### **ORDERS OF THE DAY**

#### **MOTION UNDER RULE 16**

#### **Condemnation of Bill C-155**

**MR. SAUDER:** — Thank you, Mr. Speaker. At the end of my brief remarks, I'll be moving the following motion:

That this Assembly condemns the federal Minister of Transport for introducing Bill C-155 and utterly rejects the bill's provisions to terminate the Crow rate as divisive to Canadians, unfair, and a serious attack on both Saskatchewan agriculture and the Saskatchewan economy.

Saskatchewan today faces one of the most startling onslaughts from a federal government that any provincial jurisdiction has ever faced. In fact, I can't think of any other province that has faced the very destruction of its economic base as part of a carefully planned campaign from any federal government ever elected to office in this nation. For reasons known only to itself, the Liberal government has decided to ignore all rational thinking, and has embarked on a course that will literally put a sledge-hammer to this province's economy.

There have been estimates that if current federal legislation is passed by parliament and is enacted, within a decade or so the net income of Saskatchewan farmers in today's dollars will fall from \$1 billion to \$400 million. With a loss in income such as that, our farmers simply won't be able to afford to buy the seed, fertilizer, and equipment necessary to run their farms. These figures have been presented to federal officials who have chosen to ignore them. The federal government seems to think that by some sleight-of-hand trick everything will turn out well.

Federal officials appear to think that despite their plans to hike freight rates by 400 to 500 per cent within 10 years our farmers will continue to find the money to grow grain and somehow sell it on the highly competitive world market. What they haven't told us is how our farmers are going to find the money to pay these horrendous new freight charges. I suppose they think our farmers could build the increased costs into their selling price for grain. If that's what they think, it shows that the federal officials have very little understanding of how the world grain market operates. It operates through fierce competition, Mr. Speaker. It operates with various nations giving hefty subsidies to their grain farmers. If we can't match the prices of our competitors our customers will simply go elsewhere; they will not stay with us for old times' sake.

The world price for grain is not made here in Canada. It is made on the world market. Certainly our farmers could build in those additional freight charges to their selling price for grain, but I'll tell you what would happen if they did. They wouldn't sell a single bushel of grain on the world market. They would simply price themselves out of that market. Why Ottawa doesn't realize this, I do not understand.

In 1982 our farmers sold some 27 million metric tons of grain on the world market and brought into this nation \$6 billion in valuable export earnings. Our grain sales last year were one really bright spot in our severely depressed Canadian Economy. Imagine a thriving \$6 billion business at a time when other businesses and industries were having a hard time staying afloat. But here is an industry that brings in a record-breaking \$6 billion.

Well, unless Ottawa suddenly comes to its senses, we won't be seeing such a healthy injection into our balance-of-payments picture much longer. If our farmers, burdened by heavy freight costs, can't afford to grow grain any more, that \$6 billion figure will soon start to disappear. The entire nation will suffer from its loss.

Actually, this legislation will not only undermine Saskatchewan's economy but will undermine the economy of the nation as a whole. Agriculture is the backbone of our province. Everyone in Saskatchewan, either directly or indirectly, depends on agriculture for a living. Saskatchewan residents support businesses and industries coast to coast. If our farmers go bankrupt, they won't be buying cars made in Ontario; if our farmers go bankrupt, they won't be buying shoes and textiles from Quebec; if our farmers go bankrupt, they won't be buying fish and ocean products caught in the Maritimes; if our farmers go bankrupt, they won't be buying fruit grown in British Columbia; you can't even buy a movie ticket if you haven't any money. So this is not just a Saskatchewan problem, it's a national problem.

Aside from the severe loss in buying power in Saskatchewan, the loss to the national economy of that \$6 billion, whether in whole or in part, will be a major shock to our economy. We need to be pulling in more export dollars, not less. Given the chance, our farmers would willingly work to grow and sell more grain for world market. In fact, Ottawa should be encouraging so vigorous a sector of our society to grow and sell more grain and bring in more export dollars.

It is doing the exact opposite. This legislation is riddled with riddles. Why try and discourage a healthy economic sector from growing? Why put a lid on the amount of grain that will come under the meagre provisions and subsidies the federal government will still provide? Why tell us our freight charges are going to be up 400 to 500 per cent on grain shipments up to 31 million metric tons, and then tell us that after that there will be no subsidy at all?

On one hand, Ottawa urges to grow more and sell more. Then, on the other one, they say that if you do grow and sell more they'll penalize you for it. It simply doesn't make sense. They also tell us that we should diversify our crops. That probably isn't a bad idea. We're quite prepared to do it. Then they say that if you do diversify, the crops you diversify into may well not come under the new freight-rate structure. The same old story: they tell us to do one thing, then they penalize us for doing it.

Forgive me if I get emotional about this, Mr. Speaker. as a farmer, I realize the importance of it. When I review this legislation the more astounded I become. Here we have a federal government trying to change the entire economic base of a province, and that federal government has no representation from Saskatchewan whatever in any elected body. Can you imagine the reaction if without any representation from Quebec the federal government carried out such a move? There would be riots in the streets of the province. No federal government would dare do to Quebec what the federal Liberal government is doing to Saskatchewan. I also put it out that many countries would not do to their people without having riots what is being proposed to be done to the farmers of Saskatchewan. We only had to look at the national news last night and we see that the farmers of France are not taking what their government is doing to them without wholesale riot and violence. And I say that it would be the same here in Canada.

I have heard some of the comments from the New Democrat opposition in the other benches, Mr. Speaker. Quite frankly, I find their comments somewhat strange. But for their fellow brothers in Ottawa, the Liberal government would not be in power at this time. It was the New Democrats who brought down Prime Minister Joe Clark's government and, aligning with the Liberals, saw to it that Prime Minister Pierre

Trudeau's government was re-elected with a majority. Had we continued to have a Progressive Conservative government in Ottawa, and one that was heavy with Saskatchewan members, we would never have seen such disastrous and vindictive legislation before the House.

Saskatchewan New Democrats may squawk now, but I think they squawk to try and cover up their guilt. Deep in their hearts they know that they are responsible for the defeat of a government that was western Canadian in nature. They know exactly what they did in ensuring its defeat. Thankfully, the people of Saskatchewan, one year ago on April 26th, repaid them for what they did. That's why they now sit in the opposition benches, the few that are left. They sit there because Saskatchewan voters saw through their little game.

Mr. Speaker, our government has fought hard for Saskatchewan on this issue. Day after day I saw New Democrat members stand up on their feet, making wild statements and demanding action. It may have looked in the press; at least it would have looked good to the naïve and uninformed. But the New Democrat stand has been all style and no substance. It's been posturing and grandstanding; it's been headline grabbing, but it hasn't accomplished a thing. The federal Liberals, now that they have a majority government, no longer either need or heed their erstwhile colleagues.

Our government has been working to protect Saskatchewan's interests ever since the substance of Transport Minister Jean-Luc Pepin's proposals were known. We have been doing it in a constructive way. You don't win fights by making irrational statements in the Legislative Assembly or anywhere else, for that matter. You don't win battles such as this with newspaper headlines that are forgotten tomorrow. You win fights by presenting your case in a rational, careful and forceful way. That's what we have been doing. Our Premier, Grant Devine; our agriculture minister, Eric Berntson; our finance minister, Bob Andrew; other cabinet ministers and MLAs have toured this province and this nation explaining our stands. Hundreds of meetings have been held on the issue and progress has been made. More will be made.

I think this is a time when all Saskatchewan residents stand behind their government on this issue. In February, Mr. Speaker, even the New Democrats opposite appeared to be standing behind the Saskatchewan government when they supported a government motion on the issue. I'd like to read that motion, Mr. Speaker, at this time once again for everybody's memory:

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

1. Do not recognize the principle 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 and crops and their products under the new structure;
5. Do not deal with unacceptable high taxation levels on farm inputs 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;
9. Are not supported by a consensus of western Canadians.

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

Mr. Speaker, that was the motion that was unanimously supported in this House on February 22nd. Those points still have not been addressed, and that's why this government is in opposition to the legislation that was proposed.

Going ahead, since that time, the opposition appears to have turned their backs on the intent of that motion, and instead have gone squawking off in a half dozen directions that haven't done them the slightest bit of good. Truly, Mr. Speaker, in their constant day-by-day attacks on this government over this issue, members of the opposition appear to be trying to erect a smoke-screen to hide their own inadequacies.

No wonder that Mr. Trudeau gets the impression that the people of Saskatchewan and the West are divided. First the opposition votes for the motion of the House, then it condemns the government which proposed the motion, and has not worked with them to see that something was accomplished substantially. If they were truly sincere in their stand, they would help us show a united front to the federal government. I'm happy to hear the Legislative Assembly agree with the Minister of Agriculture that they will support him in opposition to this bill at this time, just a few minutes ago in this House.

Mr. Speaker, I've outlined to you the effects this legislation will have on our province's economy and the disastrous ripple effect on the national economy. Our farmers deserve a first-rate grain transportation and handling system to get their grain to export markets. They deserve it. The people of Canada deserve it. They've worked for it. Furthermore, every single dollar the federal government invests in such a system would be an investment that would return its initial amount many, many times over for many, many years to come. Such an investment would be a benefit to all Canadians in all parts of the nation. Every Canadian, no matter where he or she lives, or what he or she does for a living, benefits from Saskatchewan's grain sales. Anything that can be done that can undermine those sales is a threat to the economic well-being of the entire nation.

There is nothing wrong in a subsidized grain transportation and handling system. Every other nation in the world grain trade subsidizes its grain exports in one form or another. Our Farmers deserve at least the same recognition from their federal government. Our government is determined to continue to fight for the rights of our farmers to the very end. I only ask that the opposition joins us in that fight. Now, Mr. Speaker, I'd like to move a motion, seconded by my colleague from Humboldt:

That this Assembly condemns the federal Minister of Transport for

introducing Bill C-155 and utterly rejects the bill's provisions to terminate the Crow rate as divisive to Canadians, unfair, and a serious attack on both Saskatchewan agriculture and the Saskatchewan economy.

I so move. Thank you.

**MR. ENGEL:** — Mr. Speaker, my colleagues, the members on this side of the legislature, support the resolution put forward by the government. However, we think that it doesn't go far enough, and at the conclusion of my remarks, I will move an amendment. It is my hope that the Conservative members will support the amendment because it would give some teeth to the main motion.

Mr. Speaker, perhaps I shouldn't, but I want very much to take the Premier of this province and the Minister of Agriculture of this province at their word. I really do want to believe that they claim that they support the Crow rate. I really do want to believe that when they say that they will fight the Pepin plan. I want to believe the, but unfortunately, Mr. Speaker, this government's actions speak softer than their words.

Teddy Roosevelt once said to the American people, 'Speak softly, but carry a big stick.' On the Crow rate, it's just the opposite with this Conservative government. They tend to talk tough, but they left their stick at home, Mr. Speaker. Let me give you a few examples, and we don't have to go back very far. Try last Friday in this Assembly. The Minister of Agriculture was telling us what he thought of Bill C-155 — Jean-Luc Pepin's legislation to kill the Crow debate — and he talked a pretty good line, Mr. Speaker. The Minister of Agriculture was right when he told this Assembly, and you can check on page 2155 of *Hansard*:

. . . the cut in income from the proposed new freight rate (and I'm quoting) levies would be so drastic that many of our farmers would not be able to afford the input costs necessary to operate their farms.

He was right, Mr. Speaker. The Minister of Agriculture went on to say the federal government:

. . . has drawn up a scenario that will wreck Saskatchewan's economy, and seriously damage the Canadian economy.

And he was right again. And then the minister told this Assembly:

Our rural communities are left exposed to economic devastation.

And he was right again. But then what did he say, Mr. Speaker? After listening to all these dangerous implications of the Pepin plan, what did he say? Was it a call to war? Was it, 'Your government will pull out all stops to prevent the Pepin plan from becoming law'? No, Mr. Speaker. These were the minister's final words last Friday:

It is a very complex piece of legislation and requires additional detailed analysis, and when that . . . detailed analysis is completed, I will be prepared to share it with this House.

That's it. Wasn't that inspiring, Mr. Speaker? Wasn't that inspiring? Tough talk all the way through, but at the end, no battle plan. That's our problem. Saskatchewan's forces

in this battle to save the Crow rate are led by a general who'd rather talk than fight. He'd rather negotiate away the Crow than to take on the Trudeau Liberals. We've heard this tough talk before.

Back in February the 22nd, when this Conservative government claimed that it was prepared, and I quote:

. . . to pull out all the stops to prevent the Pepin plan from becoming law.

Do you remember that? Well, on page 1939 of *Hansard*, the Minister of Agriculture said:

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.

That same day, the Premier of our province told this Assembly on page 1947 of *Hansard*:

. . . we are going to be sticking to our guns . . . we are going to go to bat for agriculture in Saskatchewan . . . What I mean by that is that if we have to we will use our treasury.

Tough talk. But less than a week after making those speeches, both the Premier and the Minister of Agriculture met in this very building with the author of the Pepin plan. They met with Jean-Luc himself in the Premier's office. And what did these tough talking guys tell Jean-Luc Pepin? They told him that Saskatchewan families were prepared to pay more to move their grain. I couldn't believe it at first, Mr. Speaker, when I heard it. But it's true. And it was confirmed by the Minister of Agriculture in his speech he made to the chamber of commerce meeting in Melville on March 15th. I quote:

We've met with Pepin, and we told him we will pay more but we want a safety net.

Within days of telling this legislation that they would go to war for Saskatchewan farmers, the Conservative government admitted publicly that it was dickering with Jean-Luc Pepin over the terms of his proposal. We hadn't even gone to war, and our Premier was already negotiating the terms of the surrender.

And now the Pepin plan is before parliament, Bill C-155. Today the Trudeau government plans to invoke closure in order to force this legislation to committee stage. But before they got an opportunity to do that, the opposition parties moved adjournment of the House. And right now, Mr. Speaker, at this very moment, the bells are ringing once again in Ottawa, the same way that they did about a year ago when the official opposition, the Conservatives, left the bells ring for 15 days to assist the oil companies.

The farmers of western Canada will be watching very closely to see if those bells ring for 15 days this time. Are the farmers of western Canada as important to the Conservative MPs as the oil companies, is the question. If we are, Mr. Speaker, then those bells in Ottawa should be ringing for two more weeks. If they don't the farmers will remember. They are already suspicious of the Conservative MPs on this issue, because they know that when the Pepin plan was first introduced in the House a few days ago, it was the

Conservative MPs who failed to show up, who failed to defeat the legislature. The farmers of western Canada know who is to blame for the fact that the Pepin plan is even before the House of Commons today — it's the Tories.

The farmers of western Canada will see right through any attempt by the Conservative MPs to launch a phoney war against the Pepin plan. I say here and now without exaggerating and without malice that if the Conservatives muster only token opposition to the legislation in parliament, and then let it slip through, their actions will go down in western Canada exactly the same way as the conscription debate did in Quebec. And I think the Conservative parties better take note, Mr. Speaker, I will say no more. That's why I hope the Conservative members of this legislation will agree to the following amendment. And I would like to move, seconded by my colleague, the member from the Quill Lakes:

That the motion be amended by adding the following words after the 'economy': and further, that the Government of Saskatchewan will use every weapon at its disposal, including the provincial treasury, to prevent the Pepin plan in any form from becoming law; that the Government of Saskatchewan will accept nothing less than the retention of the Crow rate as is in all discussions with the federal government; and, that the Government of Saskatchewan will publicly urge the Conservative caucus in Ottawa to use every procedural obstacle available to it to delay the passage of Bill C-155.

I so move.

**MR. DOMOTOR:** — Thank you, Mr. Speaker. First of all I would like to congratulate my colleague from Nipawin for the motion with respect to the Crow rate; and secondly, I would like to dwell a few moments on the opposite remarks.

I don't believe it, but it seems as though they are the ones that are not in favour of the Crow rate. They keep on hammering away on this particular issue. Rather than coming out and supporting our members on this side in trying to fight the federal government, they come along and try to work on a negative impact, and I don't understand where they're coming from. How tough do they want us to be? We've already sent many notices down there. We've had our ministers going to Ontario to talk to the businesses there to have representation. They've talked to Pepin; they've had meetings with him, and yet here we have them attacking us again. And I'd just like to remind these members opposite that prior to the election they should . . . (inaudible) . . . back a little bit about their own situation. And it says in the paper here:

Tory MLA says minister not consistent on Crow rates (and this is dealing with MacMurchy, and when he was out running around this countryside, if you remember him. And he says recently you attended two public meetings sponsored by the grain car commission on the Crow rate.) I was shocked to hear Mr. MacMurchy tell Saskatchewan farmers two different things on two different nights. In Vanguard, the agriculture minister told the farmers he supported them on the idea that not one dollar should be given to the railways. Indeed, a vote was held in Vanguard and the vast majority supported absolutely no change to the Crow at all and everything left the way it is.

Then in Southey, Mr. MacMurchy, when asked about the railways, told the

farmers that a share of it has to come from Saskatchewan.

So who's talking double-talk here, Mr. Speaker? Who's saying on one hand they don't have to . . . (inaudible) . . . any more, then on the other hand, says that some of it has to come from Saskatchewan? And then they have the gall to sit there sanctimoniously and attacking us on this issue. I would suggest that they start thinking a little bit and go back to their own words that they used before.

And did you hear about . . . Did you read *Saskatchewan Business*? They have an interview there with the Premier and in that . . . (inaudible interjection) . . . They don't read *Saskatchewan Business* because they don't believe in business. But if they would take a look and read in that section, they would see the interview and the interview was asking Devine about the Crow rate. And to quote *Saskatchewan Business*:

What the Premier had mentioned was that it scares him to see that price increase because of the extra amount of money that would be gone out of Saskatchewan.

Now how much more explicit can you get? Besides, he talked about the bells. Well, who started the bells ringing in Ottawa? Who's putting the opposition if it isn't the Conservative members there?

Now I'd like to go on a little further with respect to some of the comments with respect to the freight rate hikes:

A grain transportation administrator (it says, and according to the act — I'll be referring back to the act every one in a while and it's section 19(1) will be appointed to ensure that the railways operate an efficient transportation system for grain and that they meet specific tonnage targets.

Now this is fine if the system will allow this. Let's assume that sales are down for a year or two and we have a stockpile. This can simply happen, Mr. Speaker, because with the export markets, other countries could have surpluses and dump their grain on the market. The result is reduction in our sales. Then if sales increase in a particular year, the railways can claim that they have not higher tonnage targets over the previous year, the railways can claim that they have not higher tonnage targets over the previous year and we will be stuck with a higher freight rate, less grain sold and a reduction in farm income. Further, these tonnage requirements could be met from different blocks and the result is that increased sales calls for different grains and we could be ending up with general farmers' reduced sales and reduced costs or reduced inventory.

A review in 1984-85 can lead to a dismantling of the system and a fee for all freight charges could be levied, leaving the farmer in a very fragile and precarious position.

Let's take a look at CBC. Last year the CBC sought and received appropriations from the general taxation that totalled \$737 million to cover its operation and capital expenditures for one year. Now I ask you, what did the CBC return to the general Canadian economy in extra jobs or balance of payments? Yet they received \$737 million. Did they help in ancillary job creation, manufacturing, fertilizer production, machinery sales or employment? I would suggest not.

Farmers invest management skills, labour and huge amounts of money into an industry that yields Canada almost \$6 billion annually in foreign earnings. Now I contend, Mr. Speaker, this is a return to the Canadian economy. Why not pay the difference, as has

been suggested . . . (inaudible) . . . ? The federal government should pay that difference. With an increase in cost, that is input cost, the farmer has no control. The one item that can maintain some stability to the farmer is about to be eroded. The price that the farmer sells his grain for to the open market is variable, and they fluctuate from year to year. Therefore, I would put emphasis that the maintenance of stability to agriculture, the maintenance of Crow rate, would indeed keep this cost down.

Any type of change that the federal government wants to tamper with, as we have seen over the years, means that we must be very wary. Let's not fall into the trap. The Prime Minister is very foxy, and we have seen the cost to us in the West. Just an example is the metric system. Did you see the Westerners running to Trudeau to please bring in the metric system so we can pay more for items in the long run? No. And here we have the attempt to break down and divide the farmers so that some will be for change and others will be against it, so that they can come in through the back door and bring in a difference for the Crow rate.

By dividing farmers, province against province, the present Prime Minister has done well in creating confusion and mistrust. By eliminating Crow rate — and later on, I would contend, to do away with any federal subsidy — will place the farmers in a very difficult position.

In Australia, for example, the longest distance over which wheat is railed to seaboard is 450 miles. The U.S. has year-round ports in the Pacific and Atlantic and the Gulf of Mexico, plus an extensive inland water-way. Therefore, they're able to sell their grain at a lot cheaper rate. Where does this place the Canadian farmer? It places him at a competitive disadvantage.

And I would like to take a look at . . . Just refer back to the section on the act. But before I refer back to the section on the act, there are a couple of other comments I would like to make. In another article, it says that:

By 1990 projections indicate that even if grain exports increase by 50 per cent, grain will only constitute an 11.1 per cent share of total traffic. This indicates that the expansion would be required even if there was no grain traffic. The transport minister, Jean-Luc Pepin, in answer to questions on CBC Radio's 'Morningside' on February 12th, said that grain must provide increased revenue because to extract these revenues from the other 90 per cent of the traffic would eliminate its competitive advantage.

If that is the case, then the situation for farmers is even more severe. They've used the Snavely report as an example of how the railways have been losing money. Well, the Snavely method for railway costing if applied to farmers would show that the Canadian farmer is not making any money either.

Another comment I'd like to make is with respect to the agriculture minister, the emphasis and the presentation he's made to Pepin. Here are some quotes from articles in the paper:

'Farmers are faced with rising costs of production, falling grain prices, and therefore cannot afford further cost increases,' he told Pepin.

Let's take a look at a few other comments mentioned:

He said the recommendation to have the farmers share inflationary cost increases with the federal government up to a maximum of 4.5 per cent isn't the best incentive to increase grain production. Berntson said the railways and the federal government are better able than the farmers to pay the increases.

Now, you can talk to the minister in Ottawa as much as you can. The only way you're going to get him to change . . . If they have the majority they're going to push that through. We can launch as much of a lobby against it as possible, but finally when they bring in closure and bring it into legislation, they have the majority and they can in reality vote that in. The only other way to change it, I suppose, would be to go ahead and take the way of guerrilla warfare and launch an army, I suppose.

I said I wanted to refer back to the act. There are a couple of instances or examples there where it gives the grain authority administrator a lot of power, and the powers of the minister. For example, on page 14, it says, in section 33:

The minister may, on behalf of Her Majesty, acquire or lease railway cars for the purpose of moving grain, and administer and control any railway cars so acquired or leased.

'May.' That doesn't put him in any position where he has to.

The minister may enter in any agreements with the owners or lessees of railway cars, whereby the minister, on behalf of Her Majesty, assumes the administration and control of these.

Again we have 'may.' Then we could go a little further, and:

The administrator shall, at the discretion of the minister (it says at the discretion or direction of the minister), administer and control any railway cars under the administration and control of the minister on behalf of the administrator.

So the administrator then is in control, and at the subject or whims of the minister.

Let's go a little further. There's another section there that we should take a gander at with respect to how the act may affect the farmers in respect to their grain sales. It says, section 50:

A railway company may, in respect of any crop year, include in its tariff a rate in respect of the movement of grain by means of railway cars other than box cars, hopper cars, or ship or supply tank cars, that is higher or lower than that provided . . .

**MR. SPEAKER:** — Order. It is my duty to inform the member that his time has run out.

**MR. KOSKIE:** — Well, thank you, Mr. Speaker. I want to begin by indicating and expressing to all members in this House that I think that we are discussing an action which is being proposed by the federal government which is the most important matter than we will ever deal with, as it will directly affect the West, and particularly farming.

As we know, we go back and we find that the statutory Crow rate was a bargain in the development of this country. And all of us know that the CPR, the privately run empire, one of the largest conglomerates in Canada, received massive concessions for the establishment of the statutory rate.

And I think that today in western Canada, if indeed the federal government is successful in breaking the statutory rate, that the effects on agricultural economy will be next to almost overwhelming. If we look at the proposal that they're talking about, and there are several factors to it, but certainly there is the cost increase to the farmer . . . And I've spoken on the debate on the Crow before, and all of us know that the large impact that it's going to have on the Saskatchewan economy. I think they predict by 1985, if my memory serves me right, that some additional \$651 million will be taken out of the Saskatchewan economy.

I have said before the impact that this will have on all of the small communities in this province, and I think it's best illustrated by talking to some business men and farmers in one community in my constituency. They handle about 850,000 bushels of grain. Using the increase and if it goes up, say, \$1 a bushel, for figures, you can see the total impact of the amount of money that leaves that community. I can't believe that there isn't a greater concern throughout all of western Canada as to the total impact that it will have in adding the costs and transferring such a large amount of money from Saskatchewan to the railroads.

There's another concern in respect to the proposal, and that's the variable rate. It looks as though the bill will provide for a variable rate. And what that means again and particularly to the wheat pool movement, I think, which has a network of elevators scattered throughout Saskatchewan, community after community, and with variable rates the inevitable result will be that they'll be hauling grain to larger centres, will end up with inland terminals and the demise of many of the small communities.

Another consequence is that, rather than moving this on rail lines, a large amount of it will be moved on our highways, and another cost will have to be picked up by the provincial economy.

I think also there's another very important element and that is in respect to, if they do change it, who receives the payment. And certainly, the position that we have taken, any payment should be made directly to the railroads, and then make them accountable for performance.

But I want to go on and . . . It's interesting that today the Minister of Agriculture made a statement and, as the Leader of the Opposition indicated, rather surprised that he wanted to have a unified approach to effect the necessary changes in the legislation. I think that all of western Canada should be joined together in the fight against the Crow, and I think it's a sad commentary that indeed we do not have that basic consensus. If we take a look, and the Minister of Agriculture asked for a unified approach, I turn and ask, 'What is the unified approach by the New Democratic Party?' And I want to say that the New Democratic Party, federally, stands four-square behind maintaining the Crow rate. I want to say that the New Democratic Party in Saskatchewan stands four-square in maintaining the statutory Crow. I want to say that in respect to Manitoba, the Manitoba government, the NDP government, is in support of the position that we have taken. I want to say that Alberta NDP party is totally in support of maintaining the statutory rate.

But the leader, the Deputy Premier, and the Minister of Agriculture asks for a unified approach. And I want to say he should turn to his own colleagues and ask for a unified support in maintaining the Crow. For surely that has not been achieved because it is rather surprising that a change which will have the magnitude of effect on western Canada that the Minister of Agriculture from this province is not able to join forces with Alberta government, and with the Tory opposition in Manitoba. And I guess what one has to conclude is that really we don't have a consensus among the Tory party. I think, for political reasons, that we have a smoke-screen being established here in Saskatchewan, a pretence that they are fighting to defend the Crow and even in his comments today, the member from Humboldt almost threw up his hands and he says, 'What can we do? They have a majority.'

Well, I'll tell you that government's course of action has been changed, if in fact there is a unified purpose on the opposition to a particular legislation. And I'll tell you, the weakness, the weakness of this government in approaching Ottawa is its weakness of its support within its own ranks — leaders, leaders in their own party running for the federal Tory party. Peter Pocklington, he says, 'Oh, what we should do is privatize all the railroads.' I want to say that Mr. Don Mazankowski, who was in fact the former transport minister under the prime minister, Joe Clark, his recent comments indicated that had Mr. Clark continued to be the prime minister, he said there would not have been much of a difference in what Pepin is proposing. That is the position of the Tory federal party.

And you know, it's evident that what they want is that the legislation be proceeded with, because it says 'PC candidates absent for Crow vote.' And I want to read just a portion, Mr. Speaker:

When the score was tallied Tuesday, the Liberals defeated the opposition 112 to 88 and were allowed to proceed with introducing legislative changes to the Crow's Nest Pass freight rate. But it was interesting to observe who wasn't in the Commons for the vote and who was. Only 65 out of 101 Tories showed up to vote. (Only 65 out of 101 Tories showed up to vote.) The 36 missing Conservatives conceivably could have made the difference Tuesday, if more Liberals couldn't be found.

They didn't even get their act together, because I want to say that it's in the interests of the Tory Party to see that this legislation is indeed passed.

**MR. SPEAKER:** — Order! It is my duty to advise the member his time has elapsed.

### WELCOME TO STUDENTS

**MRS. CASWELL:** — Thank you, Mr. Speaker. I would like to introduce to you, and through you to the House, 50 students from Caswell School which are in the Speaker's gallery. Their teachers are Mr. Berling, Mr. Richert, Mrs. Loewen, and Mrs. Klopoushak. We'll discuss the pronunciation of the last name later. I understand that Caswell School received a considerable amount of money for a face-lift. There was some confusion in the paper whether it was the MLA or the school that was receiving the face-lift. Well, after extensive research, we found that Caswell School is considerable older than the MLA, and the face-lift was indeed for the school.

Needless to say, I have a great pride and, one might say, affection for Caswell School. It's right in my home community. I don't think my husband was named after the school,

but I think it's a good school even if it was named something else. I will be meeting with you for pictures and drinks at 3:45. Have a good time.

**HON. MEMBERS:** — Hear, hear!

## **MOTION UNDER RULE 16**

### **Condemnation of Bill C-155 (continued)**

**MR. GERICH:** — Mr. Speaker, it gives me a great pleasure to speak today on the Crow issue, if Pepin's plan is related to Mr. Sauder's motion. Mr. Speaker, in my opinion, it is a myth that the railways are losing money.

I would like to make some brief comments on the history of the Crow's Nest Pass railway rates. There is a widespread assumption that the Crow's Nest railway rates are tied in with the building of the transcontinental railway. This is not so. The transcontinental line was completed in 1883, and the Crow's Nest Pass Agreement was signed in 1897.

Concessions granted by the Government of Canada to the Canadian Pacific Railway for completing the transcontinental line included: cash grants, totalling \$25 million; 25 million acres of land in western Canada, with mineral rights; certain tax exemptions; free import of construction materials; 710 miles of land on which construction had already been started.

In Robert Chodos' book, *The CPR: A Century of Corporate Welfare*, claims the total acreage granted to the CPR from national, provincial, municipal governments since 1881 is actually 43,962,000 acres. The reasons for the agreement — the CPR line ran through the Rogers Pass. The CPR wanted a connecting link with the mineral rich Kootenay Valley in southern British Columbia. At the time, lead, zinc, and copper, silver that was mined in the Kootenays was moved by lakers and mule trains onto the United States railways.

To capture this market, the CPR would need a line through the Crow's Nest Pass from Lethbridge, Alberta, to Nelson, British Columbia. This project required government help, and in the meantime, the CPR was acquiring the railway lines which existed in that area. One of these is a 33-mile connection link between Robson and Rossland which the CPR bought for \$800,000. The deal included the smelting works at Trail, B.C. and 270,000 acres of land in that vicinity. Coal to run the smelter was brought in by rail from Vancouver Island.

Large coal deposits had been discovered in the Alberta-British Columbia border area through which the proposed line would run. The advantages of the line to the CPR were obvious. They could supply coal to the Trail Creek smelter at a great saving in the distance being hauled. They would have access to the mineral deposits in the Kootenay Valley. They would block attempts by the United States interests to build railroads into the British Columbia interior, and they would have transportation from the newly developed coal fields at a time when coal was a principal source of fuel in western Canada.

When the CPR made submissions to the Canadian government for assistance in building a rail line through the Crow's Nest Pass, the government could see some of the advantages. It would prevent the incursion of the United States railway into British Columbia and solidify the entry of British Columbia into confederation. The railway

could be induced to lower freight rates on . . . (inaudible) . . . effects and on grain hauled to export positions. This would encourage settlement of the West.

There was a need for access to the newly discovered coal fields in southern Alberta to meet fuel needs of settlers on the Prairies. The lower rates on agricultural implements coming to the West would spur industrial development in eastern Canada.

Canadian Pacific agreed to: (1) a reduction in perpetuity of 3 cents per 100 pounds of grain and flour from points on Canadian Pacific lines then existing in the West to Fort William and points east thereof, and one-half of the reduction to be effective by September the 1st, 1898, and the balance by September the 1st, 1889. The reduction in perpetuity of . . . (inaudible) . . . percentages on certain commodities from points on Canada Pacific lines then in existence in eastern Canada to points in existence on Canadian Pacific lines in the West. The specified commodities include such items as agriculture implements, all kinds of wire, iron, nails, and spikes, binder twine, roofing and building paper, window glass, paints, oils and furniture. These reductions varied from 10 per cent to 33.33 per cent, and were commonly the former figure. They were made effective by January the 1st, 1898. The Government of Canada agreed to provide a cash subsidy which amounted to \$3,400,000, at the rate of \$11,000 per mile; grant the monopoly to the CPR on all rail traffic in southern Alberta south of Calgary. The Government of British Columbia made a land grant with mineral rights of 3.7 million acres plus the proviso that the CPR convey 50,000 acres of coal-bearing lands to the federal government.

Changes: the Crow's Nest rates were suspended between 1903 and 1918 following an agreement between the CNR and the Government of Manitoba. They were then suspended between 1918 and 1920 by the War Measures Act. They were returned to original form in 1922. The Railway Act, amended in 1925 to release the CPR from its obligation to provide reduced rates on goods moving to the West. 1925, an amendment gave statutory recognition to the Crow rate and extended them to all railways and all lines moving to The Lakehead, Churchill and the Pacific coast. The National Transportation Act, passed in 1967, described the statutory grain rates in much the same way as the earlier act.

In 1961 oilseeds were added to the grains that came under the Crow rate. Who benefited from this? Rapid development of the mining area in southern British Columbia, for one, kept the transportation of the area's resources within Canada; consolidated the entry of British Columbia into confederation; stimulated the industrial development in eastern Canada through lower freight rates to western markets; helped establish agriculture as a base industry in western Canada through the reduced freight rates on grain.

The Canadian Pacific Railway received cash grants amounting to 40 per cent of their construction costs; land grants and tax exemptions; access to a land empire in southeastern British Columbia. This makes the CPR the dominant force in the area and wrests its economic life from the American predecessors.

The railway spurred development of mining operations in the Kootenay area. Some of the land and mineral rights are owned by the CPR. Development of the coal mining industry benefited the CPR in at least three ways: freight traffic and coal to outside points; availability of coal on its own line for the smelter at Trail Creek and industries in the Kootenay area; and the CPR still owns huge coal deposits.

The Trail Creek smelter developed into a consolidated mining and smelting company, one of the largest in the world. The Trail smelter is the world's largest zinc refinery. One of the mines in the area is the world's largest producer of lead, zinc, and silver. The area has also copper and silver production and, more recently, Cominco has become a major producer of fertilizer.

According to the CPR annual reports, in the 24-year period ending 1959, the railway received \$222,174,000 in dividends from Consolidated Mining and Smelting Company. It would take a battery of accountants a long time to assess the dollars that have accrued to the CPR through the developments in the Kootenay area, the coalfields of Alberta and British Columbia, and the operations at Trail, B.C. all of these things needed the railway through the Crow's Nest Pass to make them happen. CPR needed government help to build the railway. Part of the package that was worked out was the Crow's Nest Pass rail rates.

Back in the 1920s, in order to appease the farmers who felt victimized by tariffs which forced them to buy central Canada's manufactured goods at high prices, the federal government expanded its original agreement into a rate written into the statutory books and applying to all shipping points, all railways. Since then the Crow rate — one-half cent per ton per mile — has allowed western farmers to compete for export from their land-locked position against transportation-subsidized farmers of other nations.

Because we live in a land-locked region, western farmers rely on the railways to supply the cheapest, most efficient, transportation system for their grain. The federal government, under the authority of Transport Minister Jean-Luc Pepin, has proposed legislation that will end the historic Crow rate for grain transportation by rail and institute in its place a mechanism that will drive freight charges to Saskatchewan farmers by between 400 and 500 per cent within 10 years.

**MR. SPEAKER:** — Order. It's my duty to inform the hon. member that his time has elapsed.

**HON. MR. BLAKENEY:** — Mr. Speaker, I want to add a few words to this debate, and I want to indicate that I will support the motion and support the amendment. I support the motion because I oppose the Pepin plan, and I oppose the plans which have preceded it, whether they were popularly called Pepin or Gilson, or by any other name. I support the amendment because it indicates not only what I oppose but what I favour, and that is the retention of the existing statutory structure for the movement of grain and the levying of rates on that movement.

I wish that the position of the government opposition was equally clear. While it is clear, I think, now, that they oppose Bill C-155, they oppose the Pepin plan, they have not similarly taken a position in support of retaining the Crow rate.

Our party has opposed any proposals to change the Crow statute prior to February 1982; in February 1982, when Mr. Pepin put forward his idea in a fully rounded way; in June of 1982 when Professor Gilson reported; in February of 1983 when Mr. Pepin first put forward his proposals, which have now found their way in Bill C-155.

Members opposite have not been, as I say, as forthright. The Minister of Agriculture has said that he had not made up his mind, for example, on the issue of whether or not the federal government should pay money to the railways or to the farmers. He said that

some time ago. Now I think, Mr. Speaker, you will well understand that can't be an issue. If you are in favour of retaining the Crow rate then it's not credible that the farmers are going to get any more money, and therefore, any money paid by the federal government must necessarily be paid to the railways and that matter is disposed of. Once you make up your mind that the Crow statute is going to stay, that's no longer an issue. And the fact that the government opposite agonized on that issue indicates that it had not made up its mind on whether or not the Crow statute should stay.

The same goes for variable rates. One doesn't have to make up one's mind on variable rates, if you are in favour of keeping the Crow rate, the Crow statute. The Crow statute says the rate shall be a half cent a ton-mile, and there is no room in that statute for variable rates. And if you want to keep that statute then you don't even have to think about variable rates. And the same can be said for any cap, any proposed limitation of 31.1 million tonnes or any other limitation. If you're in favour of keeping the Crow statute, that is not an issue. That disposes of itself.

To those who say, 'Ah, but the railways have to be persuaded to spend money expanding their facilities to take grain, particularly from the prairies to the west coast. I say, perhaps they do but that has got nothing to do with the Crow rate. The railways have a clear statutory obligation to provide the facilities needed to transport goods offered by shippers. That's in the Railway Act. There is no way by statute we can make that obligation clearer. And if they have a legal obligation to provide the trackage and the locomotive power and the cars, hopper cars or otherwise, to deal with the commodities offered by shippers, then the course of action is not to bribe them to keep the law, but to persuade the federal government that they also must obey the law like every ordinary citizen. And if this be the case, then our efforts ought to be directed at the federal government urging them to have the railway companies perform their clear statutory obligations.

One is always amused by the federal government saying that really they have to offer some money in order to persuade the CNR to do something. The CNR is a Crown corporation, wholly owned by the Government of Canada, and is an instrument of government policy, and it is simply not credible for spokesmen for the federal government to stand up as they do from time to time, and indicate that really the CNR won't do something unless the federal government provides some money. That is saying that the federal government won't do something unless an agency of the federal government pays another agency of the federal government some money. And that surely is nonsense and simply to state the proposition is to ridicule it.

With respect to the CPR, there is another case to be made. Perhaps it can be alleged, I don't believe so, but perhaps it can be alleged, that the statutory rate has become a burden to the CPR. If that be the case, Mr. Speaker, it behooves the CPR to raise the issue in the appropriate way. If the CPR doesn't like the deal they made, and the deal they signed, presumably they can come forward and say, 'We are willing to renegotiate this deal.' But that's not the position of the CPR. The CPR says, 'Yes, we signed a deal in 1897, and, yes, under this deal we are required to carry grain at a half-cent a ton-mile, but we don't like that deal any more. Yes, we got some benefits under that deal, but our proposition is that we keep all the benefits but you relieve us of the obligations.'

Now I think that that is hardly a reasonable proposition for the CPR or any other railway or any other company to make, even if they are right — which I don't agree — that the deal is oppressive. If they had come forward and said, 'This deal is now oppressive and let's renegotiate, all of it.' Then perhaps, and I say only perhaps, someone in western

Canada might have been a little more sympathetic. But when their proposal is not that, but one that says, 'We will keep all the benefits we got, but please don't make us live up to our end of the bargain,' western Canadians are not unnaturally a little less than sympathetic to that proposition.

Now sometimes it's said, 'Well, the Crow rate, if not unfair to the CPR, is at least unfair to the people of Canada because all of Canadians are having to pay what amounts to a transportation subsidy.' The amount of the subsidy is, I think, seriously in doubt. One should not accept the Snively figures without analysis. As my colleague in the legislature, I believe the member for Humboldt, was saying, on the basis of the Snively calculations virtually every farmer in western Canada would be losing money, because Mr. Snively, I believe, wishes to ensure that the equity of the Canadian Pacific Railway Company earns before taxation rate of 35 per cent, and I know a great number of investors which would be quite happy with that return, and perhaps even a little less. So I think that Mr. Snively's figures represent something of an optimum for the CPR.

But my point, Mr. Speaker, is this: that if indeed there is a subsidy — a transportation subsidy — it is certainly not the only one in Canada. All of the ports which operate in Canada, or virtually all of them, are in effect subsidized. The airports — and I think no one would suggest that the Mirabel Airport is a pay-as-you-go operation. It obviously is not. And the St. Lawrence Seaway is clearly not a pay-as-you-go operation. It involves a transportation subsidy. All of the maritime ferries and steamships as a class and, I suspect, every single one operates on the basis of a subsidy.

Transportation subsidies are part of the warp and woof of Canada and people on the Prairies ought not to apologize for suggesting that they, too, should have a transportation subsidy in order to enable them to compete in the markets of the world. Because as I have already pointed out, and I could give many other instances, many other Canadians receive transportation subsidies and are the beneficiaries thereof. And no one is coming around to them and saying, 'Mr. Snively, please tell us how much the St. Lawrence Seaway loses, and then we can go to the users of the St. Lawrence Seaway and ask them to pay an additional amount.' That's not the approach.

And, Mr. Speaker, we on the Prairies have a case to be made for a transportation subsidy to get our grain to market, because other international shippers of grain provide their farmers with subsidies. Argentina, which competes with us on world markets, provides its grain shippers with a very substantial subsidy in getting their grain to seaboard. In the United States, where a great deal of grain is moved . . .

**MR. SPEAKER:** — Order. It's my duty to inform the member that his time has elapsed.

**MR. MAXWELL:** — I'm sorry, Mr. Speaker, the member from Weyburn isn't here at the moment. Would it be all right if I take his place?

Thank you, Mr. Speaker. I want to preface my remarks by saying that I think it's a sad day for Canadian unity when members of the Saskatchewan Legislative Assembly are compelled to stand in this House in defence against an ambush from the federal government, supposedly our partners in confederation. What is being perpetrated by the federal government is nothing short of guerrilla warfare.

In past years, the federal government has accused Westerners of being paranoid. Well, with the introduction of Bill C-155 our fears have proven to be justified. Once again we see our senior level of government displaying a total ignorance of western concerns

and aspirations.

And, Mr. Speaker, I have to say I find it outrageous that the member from Assiniboia-Gravelbourg had the unmitigated gall to say that we have the Tories to blame for the introduction of the Pepin plan. And he said, 'Farmers will remember who to blame.' And he's correct. They know who voted with the federal Liberals to give us Trudeau and Pepin. It was the NDP.

But we should not be too surprised by the comments of the member from Assiniboia-Gravelbourg. He is ostensibly the Agriculture critic. I say 'ostensibly,' Mr. Speaker, because today in question period we saw the situation where the Leader of the Opposition had to pick up the questioning on agriculture because the member from Assiniboia-Gravelbourg, when it comes to agriculture and defending the farmers of this province, just cannot carry the ball. So I find it a little outrageous that he would make any attack on the Tories in this particular issue.

And I would like to extend to him an invitation, Mr. Speaker, to come up to my constituency during the next election and campaign on behalf of the NDP, because I think he would guarantee my re-election. The only gentleman who could do more damage for the NDP than the member from Assiniboia-Gravelbourg would be the Leader of the Opposition.

Well, in the last few months, led by our Minister of Agriculture, the Government of Saskatchewan has put up a spirited and indeed a sometimes furious fight in opposition to the Pepin plan. Testimonial to this is seen in the headline of the *Globe and Mail* of Saturday, March 12. And that was: 'No surrender in Crow rate battle.' Allow me to quote from the newspaper article appearing under that headline:

Prairie farmers and politicians are using every weapon available to keep what is considered their birthright. At stake is the 86-year-old Crow's Nest Pass freight rate for grain, a rate calculated to be only a fifth of the cost of hauling grain by rail to export . . . Saskatchewan cabinet ministers are logging thousands of air miles a week, lobbying to keep the Crow rate as it is. Perhaps the most tireless of those ministers is Eric Berntson, the province's deputy premier and Minister of Agriculture . . . And even though the federal government has prepared draft legislation for changing the Crow rate, Mr. Berntson vows he'll fight to keep the Crow 'come hell or high water.'

We were told about strong words and carrying a soft stick. I think those are strong words and they're being backed up right now with a big strong stick. Again, quoting from the *Leader-Post*, May 4, '83:

Devine's case for the Crow. The success or failure of Prairie grain crops, and their impact on Canada's exports, affect the whole country. Speaking to the Canadian Press in Toronto, Saskatchewan Premier Grant Devine, put it into figures. 'In 1982,' he said, 'Canadian farmers exported some 27 million metric tonnes of grain, and brought in \$6 billion in valuable export dollars to aid this nation's ailing economy.'

Further on he said:

'There will be a rapid decline in grain growing and grain exports . . . It is

estimated,' said Mr. Devine, 'that under the federal plan, farmers' net incomes will fall to \$400 million from \$1 billion a year within the next decade . . . Agriculture is the backbone of the Prairies. Take away 60 per cent of our farmers' net income and no one will remain unscathed by this loss in spending power.'

The Saskatchewan government campaigned nation-wide on its stand that the federal proposals to scrap the historic Crow rate for grain transportation and institute a new freight rate mechanism will be bad for all Canadians in all parts of the country. The Premier took that message to Ottawa and other parts of the country.

Agriculture minister, Eric Berntson, was personally invited by Quebec agriculture minister, Jean Garon, to Quebec City to give his side of his story. He was also in Prince Edward Island, Moncton, New Brunswick, meeting with agriculture ministers representatives of all four Atlantic provinces. The finance minister even took this message to Bay Street in Toronto to explain the ramifications to Canada's financial community. Other cabinet ministers and other MLAs have been speaking province-wide, and indeed, coast to coast on the issue. And the message is short and simple. If Saskatchewan's agriculture industry is severely damaged due to federal plans the backlash will hurt everyone in Canada.

Despite all this flurry of activity when the bill to change the freight rates was introduced, what did we find? There is virtually no economic benefit whatsoever for Saskatchewan in these new proposals, and there's nothing that will fundamentally enhance agricultural processing in this province. No guarantees or penalties to ensure the railways will carry out their investment plans or meet performance commitments on a day-to-day basis.

There are loopholes that will allow the railways to impose hidden costs on the shippers, above and beyond the base rate. The railways will be in a position to manipulate charges with stop-off costs, switching costs and a dozen more technical ways. There are loopholes that would allow for variable rates, and the emergence of these variable rates will be a real threat under the legislation as it is presented.

The railways can also pass on to grain farmers, costs that are not really incurred in the shipment of grain, such as deferred maintenance costs. The 31 million metric ton lid on grain that would come under this program remains, and that is a huge disincentive to our farmers, because on the one hand they've been told, 'Grow more grain, bring in more export dollars,' and on the other hand they've been told, 'But if you do you're going to be penalized for it.' There is no firm commitment to bringing in a full range of speciality crops under the program. Again, farmers are being told, 'You have to diversify,' but, they're told, 'If you do diversify, don't expect any help from Ottawa.'

There's also the real possibility the federal government will ease out of any commitment they have made on paying benefits. The burden of this will fall on the backs of our farmers, and we cannot allow that to happen. The freight rates will be set by Ottawa bureaucrats, so in effect there will be no statutory rate. We'll have no statutory guarantees or safeguards for our farmers; and all this at a time when everything the farmer needs to grow grain is costing more. Our farmers are caught in a cost-price squeeze already.

The only certainty our farmers had was the cost of transporting grain. Now under Bill C-155, even that one concession is being eroded. Farmers are not able to pay more at this

time for freight costs and Bill C-155 could spell the end of viability of some of our farm operations. This is the worst time to impose such a costly burden on western producers who are trying to fight against increased farm input costs, largely brought on as a result of the national energy program and depressed grain prices.

I believe that the statutory rates must remain. Farmers have to be protected against sky-rocketing freight rates, monopoly power of the railways, and inflation. There should be no 31 million metric ton limit on grain to be transported under any new rates. All Saskatchewan crops and their products must come under any new freight rate mechanism. If the federal government has its way, Bill C-155 is going to be rammed through parliament and stuck down western throats by virtue of closure — and that is completely unacceptable too.

Under their plan there is no provision for provincial government participation on the senior grain transportation committee. This could lead, and I submit will lead, to bad planning and uncoordinated planning. And the vast majority of this powerful committee will be Easterners. Trudeau and the federal government take some beating when it comes to hypocrisy concerning discussions of Canadian unity, and this scurrilous attack on western farmers will never . . .

**MR. SPEAKER:** — It's my duty to advise the member his time has elapsed.

**MR. MARTENS:** — Thank you, Mr. Speaker, it's a privilege for me to rise and debate on this discussion about the Crow. I want to point out a number of things that have been on my mind for the last while in relation to this. I think, because I probably won't have much time to speak, I will just point out a number of things.

We have, in the role of the Minister of Transport, a person who is dealing with the transportation system that is going to affect agriculture. And in that system that is affecting agriculture, we have a person who has no idea of the impact that it's going to have on agriculture. And I want to point something out. We have in a magazine that's called *Saskatchewan Business*, 'Premier Devine Talks About the Crow: Seeding the Unsung Megaproject.' And business controlling business, fine, but let the agriculture control agriculture, because they put the picture in backwards.

Mr. Speaker, the whole thing relates to agriculture and the transportation. If we have the Minister of Transport who knows nothing about agriculture speaking about agriculture and transportation, he's got it all backwards. I want to point that out so that the people of Saskatchewan understand that the Minister of Transport for Canada has it all backwards.

I want to also point out some other things. The minister in charge of the Canadian Wheat Board, he said in an interview with the *Leader-Post* that the change on the 31.1 million tonnes, I think, is likely to happen. Precisely the way it will happen, I don't know. Well, I'll tell you what happened. It bombed out. There is a 31.1 million tonne ceiling on it, and what have we got? Just exactly . . . (inaudible) . . .

**MR. SPEAKER:** — It's my duty to inform the members that our 75-minute time allotment has expired.

## PRIVATE BILLS

### COMMITTEE OF THE WHOLE

**Bill No. 02 — An Act to amend An Act to incorporate The German-English Academy of Rosthern**

Clauses 1 to 11 inclusive agreed to.

The committee agreed to report the bill.

**Bill No. 03 — An Act to incorporate the Sisters of Mission Service**

Clauses 1 to 18 inclusive agreed to.

The committee agreed to report the bill.

**THIRD READINGS**

**Bill No. 02 — An Act to amend An Act to incorporate The German-English Academy of Rosthern**

**MR. KATZMAN:** — I move that Bill No. 02 — An Act to amend the incorporation of The German-English Academy of Rosthern be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

**Bill No. 03 — An Act to incorporate the Sisters of Mission Service**

**MR. FOLK:** — Mr. Speaker, I move that Bill No. 03 — An Act to incorporate the Sisters of Mission Service be now read a third time and passed under its title.

Motion agreed to and bill read a third time.

**GOVERNMENT ORDERS**

**SECOND READINGS**

**Bill No. 48 — An Act respecting the Provincial Auditor**

**HON. MR. ANDREW:** — Mr. Speaker, I rise to introduce in this legislature second reading of An Act respecting the Provincial Auditor. This is Saskatchewan's first Provincial Auditor Act.

As former chairman of the public accounts committee I have come to understand and appreciate, quite frankly, the role of the Provincial Auditor to this legislature and to the province of Saskatchewan. His job is far from being an easy one, but is a very necessary one, and a job that is central to the process of financial accountability.

The Provincial Auditor to be effective must be able to carry out his responsibilities independent of the executive arm of government. He must not only be independent, but he must also be seen to be independent as he carries out this role. Because of this, I am today giving second reading to a bill that not only takes existing provisions of The Department of Finance Act but also improves upon those provisions by setting up a legislative and meaningful role of the Provincial Auditor. We are one of the last provinces in the dominion to in fact bring this in.

With regards to that, Mr. Speaker, I'd like to make reference to the Provincial Auditor's

Act of 1977 — 1977, that's a long time ago — wherein he first brought to the attention of the Legislative Assembly that in 1977 the provinces of British Columbia, Alberta, and Ontario, and the Auditor General of Canada, now had a permanent office and a new act. That's in 1977 — six years ago, that the present Auditor General has been on what you might call the crusade to get his own act and to get some independence in that.

And from that point of view I'm proud that we've seen fit to in fact introduce this legislation. The process of producing this legislation has been a fair and rewarding one. I and my officials have had numerous and fruitful meetings with the Provincial Auditor to discuss the contents of this act. The Provincial Auditor was provided with full opportunity to incorporate his views into the particular statute. This is an opportunity that he actively seized, and I would like to thank him for his substantial contribution to the act we find before the House today.

The new Provincial Auditor's act has the following features to it: point number one, the act clearly spells out his responsibility in the attest and legislative audit areas. Number two, the independence of the Provincial Auditor is highlighted and enhanced. Section 3(2) of the act explicitly identifies the Provincial Auditor as a servant of the legislature. Again, that's a fundamental and important decision to be made with regards to that. He will table his report now, Mr. Speaker, through your office, as opposed to the Department of Finance and the Minister of Finance. The Provincial Auditor will be given greater freedom in the staffing and classification of his staff, another request that he has been making for some time.

The act specifies that the salary of the Provincial Auditor will not any longer be set by cabinet. Instead the salary will be tied to the average of all deputies in government. I think this is perhaps one of the most fundamental requests of the Provincial Auditor. For all the time that I have been in this legislature it's been an area of great concern to him, an area of concern wherein he felt that because cabinet controlled the setting of this particular salary that cabinet also controlled how he should speak. And I think anyone that has been in the public accounts has heard that many times. I recall back to the time the public accounts committee, since the election of this government, held hearings with regard to this type of legislation and some of the comments of the hon. member from Regina Centre.

Third, section 20 of the act establishes an audit committee. This committee will be new again to the province. It's the same basic set-up that worked very well in Alberta over the last four years. It allows for a totally non-partisan review of the Provincial Auditor's concerns and suggestions before his annual report is finalized. The audit committee will have a substantial representation from outside of government to ensure objectivity and to encourage fresh ideas.

When the audits are carried out, the Provincial Auditor must now comment on a wide range of items, some significant, involving lots of money, and some not so significant. The new act will allow the Provincial Auditor to make a judgement on the materiality of the findings and to comment only on those items that he feels are significant. This clause will allow the Provincial Auditor to make better use of his time and resources.

With respect to the audits to be performed in Crown corporations by auditors other than the Provincial Auditor, the new act specifies that these audits must be performed using procedures that are satisfactory to the Provincial Auditor, procedures that he himself would have used to fulfil his mandate if he were doing that audit. This should ensure that the various audits are conducted in a consistent and thorough fashion.

I'd also like to refer, Mr. Speaker, to the Provincial Auditor's report of 1978, wherein he indicated that a special committee on the Provincial Auditor had been structured in 1977, I believe. And that report had come down, and the report to the legislature in which the auditor asked questions with regard to role and responsibility, asked for the question of independence to be dealt with, asked for the question of scope and reporting to be dealt with, and the relationship with regard to the public accounts committee.

I am glad to say that we in this government have saw fit to move in that direction; to deal with the Provincial Auditor and bring his act, and bring his authorities, into line with what we see across the rest of Canada. I think it is important legislation. I think it's important legislation that we look at as members of the Legislative Assembly, because one of the fundamental things very often missed with regard to the Provincial Auditor is the fact that he is in fact an employee of the Legislative Assembly and not an employee of the government. Pretty fundamental — and that fundamental clause is contained in this particular bill.

With that, Mr. Speaker, these are a few of the highlights. I think we've strengthened, I think we've clarified, the mandate of the Provincial Auditor. I therefore move Bill 42, An Act respecting the Provincial Auditor, be now read a second time.

In doing this, I would propose an alternative, with leave of the Assembly if it is in fact possible, Mr. Speaker. I would propose it as an alternative to clause-by-clause of the committee of the whole, to deal with this particular legislation, that the matter be referred rather to the public accounts committee for the review of clause-by-clause under that process.

In fairness, I have spoken to the hon. member from Regina Centre, the chairman of the public accounts committee, and my indication is that that would probably be acceptable. I think that would be again a new move with regard to procedure in this legislature.

Being that this act deals specifically . . . Or, the public accounts committee are in fact the people dealing with the Auditor far more than anyone else, that they perhaps should be the people that go through the legislation clause by clause to deal with that. I would add only one caveat to that, and that is because of the legalities of the reorganization needing to be passed prior to certain estimates being able to be dealt with in the legislature, I would be hopeful that the public accounts committee — and I am sure that they will, being a proper and functioning committee of this legislature — will in fact deal with that clause-by-clause with as much haste and expedience, giving full weight of course to the fact that the act is in fact the proper act.

With that, Mr. Speaker, it is indeed a pleasure for me, having raised this issue many times in this Assembly before from both sides of the House, it is a pleasure for me to introduce second reading of an act, section 42, An Act respecting the Provincial Auditor.

I'm advised that if the proper wording could be as follows, I move:

That The Provincial Auditor Act be now read a second time and referred to the standing committee on public accounts.

**MR. SHILLINGTON:** — Well I shall be very brief, Mr. Speaker. With respect to the bill itself, let me say that the opposition by and large supports the legislation. Our criticism of the legislation, if any, would not be what is in it, but what might have been included and was not. The discussions between the Minister of Finance and myself with respect to comprehensive auditing are not in virgin territory. We've been over this ground many times, and I would have hoped that comprehensive auditing would have been introduced through this legislative means. It was not, and I want to express my regrets that that step was not taken. I have said many times before, and I'm not going to repeat it at detail, but I think this matter goes to the very essence of the cynicism about government today. People think not that we have too much government, but that what they have is not as effective and as efficient as it should be.

One prime tool in accomplishing that end would be to give the public accounts committee the tools to ensure that comprehensive auditing is properly explored by the members of the committee. The public accounts committee now has the right to review government operations with a view to determining whether or not they are as efficient, as effective, as economical as they can be, but the Provincial Auditor cannot assist us in doing that. That's an illogical step of which I have long advocated the removal. The minister hasn't chosen to do that and I express my regret.

Having said that, I want to express my appreciation to the minister for the referral of this matter to the public accounts committee. I suggested that procedure to him some time ago; he has acceded to it, and I want to say that with respect to the motion itself, of referring it to the public accounts committee, we will be voting in favour of that, and doing so unanimously, if that is what it takes. And it is not clear to me that that is what it takes; but in case it is, that's the situation.

I want to say as well, that in sending it to public accounts, my interest in having it sent to public accounts is not so much to explore the issue of comprehensive auditing. That is an issue which I guess will remain an issue between the opposition and the government, and I don't intend to deal with that at great length in the public accounts committee. I just want to be assured, and I think all members of the public accounts committee want to be assured, that leaving the issue of comprehensive auditing aside, the legislation does for that office of the Provincial Auditor all of the things it should.

Members of the public accounts committee spent a couple of days last fall reviewing the operation of the Provincial Auditor and the operation of the legislative accounts committee. We gained some insight into that, and some idea of what the act ought to contain. I wanted an opportunity for members of the public accounts committee to review that legislation, to determine that that legislation in fact gives the provincial auditors the powers and the responsibilities that we feel it should. The Minister of Finance has provided us with that opportunity, and we shall, for that reason, be voting in favour of this legislation when the vote is called on this second reading.

**MR. GLAUSER:** — Thank you, Mr. Speaker. As a relatively new member of this legislature and vice-chairman of the public accounts committee, it gives me great pleasure to speak to this act.

I was a little surprised when the opposition complained during question period today about the lack of major legislation coming forward, Mr. Speaker. I suggest to you and the members of this House that this act is a significant piece of legislation. Mr. Speaker,

it is legislation that members opposite, when they were in government, had every opportunity to bring forward. They had 11 concurrent years, Mr. Speaker, to change the auditor's act. And why, Mr. Speaker, did they not make changes? And now that they're in opposition they tell us we didn't go far enough. And the member from Regina Centre has alluded again, in this House, to comprehensive audit.

Well, they did not want to reveal what they were doing, Mr. Speaker. As far as comprehensive audit is concerned, it is no panacea. It is quite evident from the three years that the federal government has had comprehensive audit in place, and we haven't seen too much correction in direction of the way they spend taxpayers' money in Ottawa, they have allowed projects to proceed long after they had served their usefulness. They had allowed projects to proceed that were going nowhere in the first place. The effectiveness of their comprehensive audit is very much in question, and they are the example which we need to follow because they are the ones that have been in it the longest period of time.

The waste and the overexpenditures have not been found until long after comprehensive audit took over and they were not able to check the direction of certain projects. Like the Minister of Finance, I, too, have come to understand and appreciate the auditor's role. It is a very difficult one, but we are looking to him to be providing us with not the 5 cent and 10 cent items; we are looking for the major errors and omissions that take place. We do not want to be chasing dollars with dollars and I'm sure he is cognizant of that. As he performs his duties as an officer of this legislature, he must not only appear, as the Minister of Finance has said, to be independent; he must be seen as independent of the executive arm of this government.

This act, Mr. Speaker, brings us into line with other jurisdictions, and the act was designed in consultation with the auditor and that has to be another first, as well. This has all been done, Mr. Speaker, in the name of open government. It has been an eventful year — a year in which we saw public accounts opened up to the press, and now this stage of providing the auditor with his own act.

As I have sat through the meetings and the sessions examining the various departments of government, it has been most revealing to find the manner in which our auditor has performed his function. And it has been most rewarding to me to see how he has performed in spite of not having the privileges and the responsibility that he will enjoy under this act.

I want to commend the Minister of Finance for his determination to modernize the auditor's act in the stages that he has chosen. I look forward to sitting in public accounts and reviewing this act, and going through it stage by stage, and bringing it back to this House for the third reading, and I'm sure we will come up with a unanimous vote in public accounts to have it come back here as a completed bill. Thank you very much, Mr. Speaker.

**MR. KATZMAN:** — Mr. Speaker, I guess this bill represents what the opposition had to say . . . what this government when in opposition had to say about making sure that the auditor is both conceived and given the right to be independent. Basically that is what Bill 48 does. And in the auditor's annual report, marked year ending March 31, '82, on page 6 and 7, item 1.2, the auditor expresses his concerns about the independence of a legislative auditor. In his comments, he says that it is important that he be both conceived to be independent and be independent. The members in the opposition when they were government refused to give him that privilege. They always liked to

keep it just a little extra control.

From what the Minister of Finance has said, there was great discussions with the Provincial Auditor. We have Bill 48 before us. I would assume that the auditor is saying, 'This bill goes a long way.' The members of the opposition indicate it doesn't cover for the auditing process, comprehensive auditing. Yet, when they were government, and we were opposition, and the suggestion of comprehensive auditing was brought up, it was totally wrong. It wasn't required. And now we seem to hear a different story. But neither was an independent auditor's bill required either. Today that's what we are debating. And I'm glad to see that the minister has suggested that this be moved to the public accounts committee, because the members of the public accounts committee, more than any other members, realize the importance of the auditor's independence.

This is the first year, Mr. Speaker, that this committee has been opened to the public and the press. It was called public accounts, but it was a closed committee, in camera, and what was discussed there was never released until the annual report came down. Now, as we study public accounts day by day, the press is there to scrutinize, and public, if they so wish. And we won't comment about the press coming late; that wouldn't be proper.

But anyway the auditor mentions independence. He makes remarks about other departments that have been given more independence and he refers to the legislative Clerk and the librarian. But in Bill 48 it's the first step to the Provincial Auditor having a lot of independence. One of the first steps, obviously, is it indicates that he is a servant of the Legislative Assembly. His annual report is tabled through you, Mr. Speaker, which basically means he is a servant of this Assembly, of all members, not of the government or any other side. So in Bill 48 that is precisely indicated.

After spending, I guess, seven years on public accounts, it is interesting to watch how the auditor each year makes recommendations to the government on certain things that were done improperly or didn't follow the rules. The committee comes back and studies all through these recommendations, brings in an annual report at the end of the session, or periodically as time may go through, recommending things that should be done. You know, we have found overruns, improper accounts. And that's the Provincial Auditor's job as a watch-dog. He is to make sure that all moneys spent by this government, or any government, are spent properly and in accordance with the proper procedure and responsibility. If he finds funds that were extended but were not approved, he will flag them, which he does in his annual report.

The function of his importance can only be recognized very quickly when you look at his report and discover that his approximately 47 pages indicating things that were not done right when he audited the department of the government. I assume that's of the former government, and he will continue to do of the new government. But he must be left with his independence to make sure he can do it, and that there is no political pressure. So that he . . . If there's any indication that says if you don't do it the way the government wants, you may not find yourself there. He is the watch-dog of the people and therefore he must be conceived and thought and believed to be independent, as he must be.

And that's what the Provincial Auditor's Act does. It gives him that privilege; makes him the servant of this Legislative Assembly, not of the government; and makes him responsible to do as the estimates of the House, that we are presently debating and

almost completely finished, are followed. When we vote for a particular spending, he makes sure that is authority for the spending. If there's no authority, he will note it. He will make sure that the people who receive moneys have the authorization to receive money. He'll make sure that the accounting is right. He'll make sure that the vote where something was charged to a certain vote is the proper vote. You cannot charge expenditures, as has been indicated in both his letters and his annual report this year, where things were charged to the wrong department. He will comment, for an example, I believe a \$660,000 expenditure to buy land, charged to somewhere where there was no authority to charge it. He will note that and bring it to our attention.

No member of the Assembly, be it opposition or government, has the time of his own to do these things. But it is the duty of the Provincial Auditor under his independent act, which we are debating here today, to do these things. And he is the watch-dog. And his job is only as good as we, the legislators, and the public believe his independence is there. And that is important. And this is the first act that gives him a sign of independency to the public.

Another sign obviously, as I mentioned earlier, Mr. Speaker, is reporting through you. Tomorrow morning I understand from a note I just received from the chairman of public accounts, we will have a look at this bill in our committee. Now as I indicated, that committee more than any other, spends time studying it. The member from Saskatoon University, the member from Saskatoon Mayfair, Saskatoon Eastview, Prince Albert, Prince Albert-Duck Lake, myself, the member from Assiniboia-Gravelbourg, the member from Regina Centre, are all members of that committee and are working daily with the auditor in that committee to make sure that his job is being done and anything that's irregular is flagged.

So what better committee to send this to, than those that must then work with the rules provided under this legislation . . . (inaudible interjection) . . . You know, the member across the floor yells; am I trying to filibuster? No, I think I want to impress upon everybody the importance of this legislation. You know, it's important, Ned, or member from Regina Centre, that this legislation be understood by all those it affects. And that's why I say the Provincial Auditor must not only seem to be independent, must be given the tools to be independent. He must be able to hire his own staff and make sure that they have the tools to work with. He must make sure that they follow their professional responsibility as auditors. And when he puts his name on a piece of paper, it means something. It means he was independent and had the authority and checked all the documents he so wished. That's what it's all about.

It gives him the right to work with the Crown corporations as well as the government agencies. Now before in the Crown corporations, he sometimes didn't sign the statement because he didn't feel it was totally right. Now he has some authority in this legislation to make sure that the audit done by the private firm meets the standards of this Legislative Assembly. Nobody's mentioned that. But that's in this act. For the first time, Crown corporations will have to be scrutinized the same way or with the same requirements of reporting to this House that was not required before. Nobody's mentioned that. And once again, he now has some clout to make sure that the Crown corporations or those audits done by outside auditors that are on line departments follow the same rules that must be followed by he and his staff in checking departments.

He makes his annual report and flags whatever he sees necessary. His independence

has never been questioned by some of us on the committee; but others wonder if he is independent. And this legislation will specify and will show how his independence is flagged.

I compliment the minister for taking the time to sit down with the Provincial Auditor (from what he said in his comments) to make sure that this legislation is acceptable to him, and from indications that we received from the Minister of Finance, that's what happened. They discussed the bill to make sure it did the certain things that were required. I don't know if everything the Provincial Auditor wanted is in here, or isn't. But he accepts this bill, we are told. And therefore, his independence will be guaranteed and he cannot be played with.

I think the new thing that's being done, and I can't over-emphasize it, was sending it to the committee of public accounts. The one committee that must deal with the results of the Provincial Auditor is now going to study this bill to make sure that they can work with the information the Provincial Auditor will lay on the table for them. And that's so important. And he now can require Crowns and everybody else to prevent the same kind of thing.

So, Mr. Speaker, I am glad to see this bill and obviously I will support it and I will be glad to see it at the committee.

Motion agreed to, bill read a second time and referred to the standing committee on public accounts.

## **COMMITTEE OF FINANCE**

### **SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE**

#### **RESOURCES DIVISION**

#### **TOURISM AND RENEWABLE RESOURCES**

#### **Provincial Development Expenditure — Nil Vote**

**HON. MR. ANDREW:** — The other night when we were dealing with Parks and Renewable Resources, there was one subvote that was not dealt with. I believe we've talked to the hon. member. It's on page 131 of the *Estimates*, with regard to Moose Jaw animal park development. Apparently that was not dealt with. I understand we've talked to the members opposite and we're prepared to just simply vote it now and then it's correctly done. Then we could get on to the other estimates.

The Assembly recessed until 7 p.m.