

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

National Railway Dispute

Hon. Mr. Blakeney: — Mr. Speaker, my question is for the Premier and, in his absence, for the Acting Premier, the Deputy Premier, and it deals with the industrial dispute at Canada's railways which have closed down our railway system and, if prolonged to any degree, would pose a clear threat to the economy of western Canada.

My question to the Deputy Premier is this: what contact have you, sir, or the Premier, had with the Prime Minister regarding this situation, and have you urged the Prime Minister, in the strongest possible terms, to use his good offices to get the parties back to the table so that the railways may be operating again?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I think it's in everyone's interests to do just that, to get the railroads operating again. And, Mr. Speaker, since I . . . the Premier, of course, is out of the province, and since I have been out of the province until 15 minutes ago, I will turn the question over to the Minister of Transport who has been dealing with this matter in my absence.

Hon. Mr. Hodgins: — Mr. Speaker, we on the government side of the House are extremely concerned by the developments in the labour dispute between the railways and the unions.

And just to give you a little bit of history about what this government, what our Premier, and what a few of our members have done with respect to this, we have not waited till the last moment to bring the item up at all. A few weeks ago our Premier met with the Deputy Prime Minister, Mr. Mazankowski, as well as with Mr. McKnight. Further to that, our Premier has written a letter to the Hon. Pierre Cadieux a week ago or so. As late as this morning I sent a telex to the Hon. John Crosbie, urging Mr. Crosbie, the federal government, and the Minister of Labour to take whatever action is necessary to protect the interests of our citizens here in this province of Saskatchewan. This is greatly distressing to our economy, and we have urged with all the strength and power that we can, we have urged the federal government to take whatever action is necessary.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. The minister will be aware that the dispute appears to surround major lay-offs and firings of railway employees and, at the bargaining table, the issue takes the form of job security.

Mr. Minister, in the fact of what are certainly rising profits by CN Rail and CP Rail, do you feel that your government can support a policy of massive lay-offs without proper protection for employees, or do you feel that your

representations . . .

An Hon. Member: — What about the farmer, Al; what about the farmer? Are you worried about him?

Mr. Speaker: — Order. Order, please. The Leader of the Opposition is asking a question, and I don't think we should interrupt him.

Hon. Mr. Blakeney: — Thank you, Mr. Speaker. My question is this: in the face of the rising profits, Mr. Minister, do you feel that your government can support a position by the railway companies which involves continued massive lay-offs without any sufficient measure of job protection; or do you feel that your representations, which you tell me you're making to Mr. Crosbie and Mr. Cadieux, would involve a compassionate approach to massive lay-offs so that there would be a measure of protection for employees while pursuing an efficient railway system?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I would firstly say that the policy that our government will support and will always support will be, first and foremost, the benefits overall to the citizens of this province. And I think we have to understand that this latest development can be absolutely disastrous for our farmers who are already pressed with very, very low prices.

We already have a disastrous situation in potash. This latest escapade is going to further erode our competitive nature, our competitive position in the market-place. When it comes to, you speak of massive lay-offs, Mr. Speaker, I think we have to find a reasonable balance. And certainly I don't think there's any reasonable, sound-thinking person that can say we can absolutely give job security to every single worker, and I don't think that any reasonable person in the province believes that.

Mr. Speaker, we have to find a balance whereby our rail and transportation systems can be competitive, and yet we can keep a good number of people employed. So again, Mr. Speaker, our number one position is to protect the interests of all citizens in the province of Saskatchewan, keeping in mind that we have to certainly protect workers to a certain degree. But we will not, Mr. Speaker, take the position that we can absolutely guarantee jobs for everyone.

Mr. Speaker, we are in a competitive market-place, an international competitive market-place, and that is the position of our government.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I think no one is suggesting an absolute guarantee of jobs.

Are you aware of the fact, Mr. Minister, that taking one class of railway employees, the car men, their number of people working in that category in railways has decreased from 14,000 to 7,000 during the last 15 years without any work stoppage? Now, Mr. Minister, will you

not admit that this does not represent an absolute guarantee of job security? And will you not admit that when a union asks that these lay-offs be staged in a manner so that there may be some measure of protection for their families, that's not an unreasonable position?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I think it is absolutely crystal clear the position that the NDP have now put forward on this issue. The NDP is saying to this legislature, Mr. Speaker, and saying to the people of Saskatchewan, that no matter what the costs, no matter what the costs there is going to be job security for people; no matter what the cost to the hard-pressed farmers of this province; no matter what the costs are to our economy with respect to potash, coal, uranium, or whatever else — with no respect to that, they say, we are taking sides with the union bosses, we are going to provide job security for everyone. And the ex-Leader of the Opposition has failed to mention the word farmer, has failed to mention the word potash, or coal, or uranium, or any of the key exports that we put out in this country. The member opposite, in the absence of the labour lawyer from Saskatoon, who is probably out right now . . .

Mr. Speaker: — Order. Order, please. Order, please. Order. Order, please. For the sake of good conduct of the House, I would like before the next questions starts to just draw the attention of all members to keep your questions in a reasonable length of time, and let's keep our answers the same way so we can have a good question period.

Order, please. Just allow the member for Regina Centre to proceed with his question.

Mr. Shillington: — New question, Mr. Speaker. Mr. Minister, the public of Saskatchewan are a good deal more interested in what you have said, and haven't said, and what the federal government hasn't said, than they are about what the labour bosses may have said.

I ask you, Mr. Minister, if you'll give us your position rather than the position of the labour bosses for whom you pretend to speak apparently today.

Mr. Minister, some 30 per cent of Saskatchewan's freight traffic moves by rail, and virtually all of the grain, potash, mining, forestry. I want to ask you, Mr. Minister, if you're satisfied with the "hands-off" approach that the Government of Canada has taken to this issue, and if you're not satisfied with that, will you urge the Government of Canada to take strong action to get the rails back?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, at the urging of our government, the federal government, through various ministers has taken very, very recent action. You may be very interested to note that just a short while ago the Hon. Pierre Cadieux ordered that both the bargainers — the bargainers for both sides, for both the railways and the unions — he ordered that those two sides come to Ottawa.

A negotiator and a mediator have been appointed, Mr. Mac Carson, and associate deputy minister, Bill Kelly will be working at negotiating a settlement. I think the federal government has taken action. I think a good reason, and good reason why the federal government has taken this action, has been at the insistence and at the encouragement of our Premier, who, as I have stated earlier, has met with the Deputy Prime Minister, Mr. Mazankowski; has sent letters; I have sent a telex as early as this morning. Our government has taken a very, very strong and proactive position on this, and I find it very, very strange that the members on the opposite . . .

Mr. Speaker: — Order. Order. Order.

Mr. Shillington: — Mr. Minister, you mentioned something the Government of Canada has done today. The Government of Canada, in fact, before today, I think, has done nothing but allow the railways to precipitate a strike with completely unreasonable demands with respect to the jobs of the workers.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I ask you, Mr. Minister, if you will not contact the federal government and urge the federal government to communicate to the railways the public displeasure with their unreasonableness, and the public demands that they adopt a more reasonable stance and get the railways back working again?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, the hon. member is asking if our government will contact the federal government. I think I have made it abundantly clear and stressed to you the chronology of events that have taken place over the past weeks. Our government has done everything possible. We have contacted the federal government on many, many occasions. We have been in almost constant communication with the federal government.

I find it very, very strange that the members of the opposition have to wait till the last dying moment and all of a sudden stand up and pretend to be the protectors of . . . probably, the union bosses is the only people that you are interested in protecting.

This government has taken a strong position. We do have confidence in the federal government that they will deal with this issue as they have this morning and appointed a mediator.

Hon. Mr. Blakeney: — New question, Mr. Speaker, to the Minister of Transport. The minister has referred us to a telex referring to the appointment of the mediator and the associate deputy minister, Mr. Kelly. He didn't quote another part of that same telex which I will quote:

Transport Minister, John Crosbie, says it's up to the railways to manage their business the best way they can. (Adding that he's) not going to get involved.

Now this is the federal Minister of Transport announcing that he's not going to get involved in a railway strike. I ask you, Mr. Minister, is that conduct satisfactory to the Saskatchewan government, or are you going to get in touch with your counterpart in Ottawa, Mr. Crosbie, and ask him to get involved in this strike which is very much at the root of many problems facing Saskatchewan people.

Hon. Mr. Hodgins: — Here again, Mr. Speaker, the ex-Leader of the Opposition has chosen to take certain lines and twist them a little bit. Let us be very, very clear that the responsibility, the direct responsibility for employment and labour is Mr. Hon. Pierre Cadieux. Pierre Cadieux this morning has ordered that both sides come to Ottawa. He has said we will appoint a mediator — a bargainer. We'll get both sides to the table and we will hammer this thing out. So I believe that the federal government, through the direct responsibility of the Hon. Pierre Cadieux, has taken a responsible approach, and we have every confidence that the federal government will take whatever action is necessary to put an end to the strike.

Hon. Mr. Blakeney: — Supplementary, Mr. Premier. I ask the minister: are you aware that Mr. Crosbie is the responsible minister for CN? And do you think it's acceptable that the Minister of Transport would not be interested himself in a railway strike?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, that is absolutely ridiculous — absolutely ridiculous. The Minister of Transport — the federal Minister of Transport — has said no, he's not getting involved at this time; that the responsibility directly lies with the minister of labour and employment, the Hon. Pierre Cadieux, and that minister has gotten involved. And once again, Mr. Speaker, we do have every confidence that this thing will be hammered out.

And I think once again, Mr. Speaker, the most important point, the most important point is that the members of the opposition have chosen to wait till the last moment, and all of a sudden they get terribly interested. But where have the members of the opposition been when it comes to debating agriculture in this House over the last 30 or 40 days? Where have they been when there's a disastrous situation with respect to potash? The members of the opposition have not brought it up once.

Mr. Speaker: — Order.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Final supplementary, Mr. Speaker. Does the Minister of Transportation concede that Mr. Crosbie has said he's not going to get involved and that Mr. Crosbie is the minister responsible for CN? Do you concede both of those points?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I will not concede a thing, but I will once again state, I will once again state that at the encouragement and the insistence of our

government, through various ministers including our Premier, the federal government has taken responsible action, and we do have every faith that, once again at our encouragement, the federal government will take whatever action is necessary to put the railway workers back to work. And that may well be in opposition to what the members of the NDP party want.

Duties Imposed on Saskatchewan Potash Industry

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question to the acting Premier.

Mr. Minister, the United States commerce department decision to impose preliminary dumping duties of 9 to 82 per cent on Saskatchewan potash shipped out of Saskatchewan by potash producers here is a severe blow, I'm sure all will agree, to the industry in Saskatchewan. We have here a situation where a dying industry in the state of New Mexico is using its political influence to prevent Saskatchewan producers from selling more products to the American farmers.

I ask you, Mr. Minister, what specific action has your government taken since last Friday to protect Saskatchewan jobs and to get this political decision overturned?

Hon. Mr. Andrew: — Mr. Speaker, in response to the hon. member's question, since last Friday . . . The decision to be overturned, of course, would have to be overturned at subsequent hearings by either the Department of Commerce or the ITC (International Trade Commission) which comes forward in November, then later on in December.

Of course, as you will appreciate in an anti-dumping action, the action is: (a) commenced by producers; and (b) against producers or defended by producers. And as a result, following the preliminary determination, now the various players or various companies will appear before the Department of Commerce and advance their arguments as to why they should not do that. So that will in fact be done.

As to what will the government and what options or proposals are the government taking, I can advise the hon. member and I can advise this House that we are looking at several steps, dramatic in many situations, that we can take. Those decisions have not been taken by the government yet, by either the cabinet or the caucus. I would anticipate those being dealt with this week or early next week, at which time the government would state as to the direction that we would be taking pursuant to the particular decision by the U.S. Department of Commerce.

Mr. Tchorzewski: — Mr. Speaker, to put it mildly, I think I and others in Saskatchewan are more than surprised that the minister who just responded has no specific announcements or actions that we can talk about here today.

It is unbelievable, Mr. Speaker, that last Friday's announcement and ruling by the commerce department caught this government off guard. They knew since last

February, seven months ago, that this was being considered and what the result might be. I ask the minister: where has the government been all that time, and what has this government been doing since the application was made to protect 3,500 jobs in Saskatchewan's potash industry?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, in response to the hon. member's questions, this government, both in the Department of Economic Development and Trade and Department of Energy and Mines, the Premier, have for some time been involved with and dealing with this particular question. The hon. member from Regina North East says he finds it unbelievable that we were caught off guard — nobody was caught off guard — someone was somewhat concerned as to the level of the rule. And now we intend to respond, but before responding we must consult with (a) lawyers, both within Canada and outside of Canada; consult with some of the people in the industry, and consult with some of the people in the federal government before we respond in the way or the various options that we have.

If anything would be incredible it would be the fact that the hon. member, for the first time in this House, and this House is now sitting its 60th day — this issue didn't start on Friday; this issue started some time ago. This is the very first time that the members opposite have raised the question of potash; the very first time they have raised, in concern, about the potash question, something that they used to believe was their flagship. But now, after we see what is unfolding, is their billion dollar boondoggle, as we've seen from the members opposite.

Mr. Tchorzewski: — Mr. Speaker, a supplementary. It is clear that the government seated opposite has been the author of much of this problem that we face today.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — The Minister of Finance, Mr. Speaker, and the Premier, helped induce this decision by the United States Commerce Department by their claims and announcements that they will take \$800 million, so they say, of debt of the potash corporation and write it down. They encouraged the decision by doing that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And I say to the minister, and I ask him, Mr. Speaker: -why did your government not use your political influence with the Prime Minister of Canada so that the Prime Minister would use his influence with the President of the United States to let him know the seriousness of such a decision on the industry and the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. member shows his complete lack of understanding how an anti-dumping action works, if he is to somehow suggest that a statement made that indicated that we would be

writing down, or contemplating writing down, the debt of PCS (Potash Corporation of Saskatchewan) would somehow impact on an anti-dumping action, simply demonstrates that the hon. member is absolutely ignorant of the way that the process works, Mr. Speaker.

If we have said . . . if there is a mistake been made here, the mistake was made back when, in their great wisdom, the member from Regina Elphinstone believed that somehow the people of this province wanted their money into the risk venture of potash. He dumped billions of dollars into potash, and now it's coming home to roost — the terrible mistake taken by the members opposite, probably the most single, most ludicrous single mistake ever made by any government in this province in the history of this province.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Supplementary to the minister, Mr. Speaker. Mr. Minister, there is nowhere in the financial statements of PCS that can justify or support a write-down of the debt of PCS — nowhere.

I ask you, Mr. Minister, how can you stand up in this House and say that when the commerce department in the United States, or the industry in New Mexico is saying, alleging — wrongly, I might add — that the potash industry is being subsidized in Saskatchewan, your proposals to write down a debt in PCS wouldn't be considered a subsidy of some sort?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well I mean it's absolutely silly to suggest that even it would, it . . . The particular ruling come down: Noranda's duty was assessed at 85 per cent, which is almost . . .

Mr. Speaker: — Order, order. Order, please. Order, please. I don't think we should be interrupting the Minister of Justice unduly, and I would ask the co-operation of the hon. members to allow him to continue.

Hon. Mr. Andrew: — Mr. Speaker, Noranda did not write down any debt, and Noranda was assessed an 85 per cent dumping duty. PCA (Potash Corporation of America) did not write down a debt, and it was assessed a 77 per cent dumping duty.

So for the hon. member to somehow suggest that the allegation of writing down the debt led to the decision is absolute foolishness. The decision was based on the prices of selling and constructive costs from September of 1986 to February 1987. So to suggest that is (a) wrong, and (b) to hold on to that concept simply demonstrates that the hon. member simply does not understand what he is talking about, and that does not come as a surprise to me or the members of this side of the House.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the minister, Mr. Speaker. Mr. Minister, this latest slap in the face that we have received from the United States government

through the commerce department decision shows one thing clearly. It shows the absolute folly of trying to negotiate a free trade deal.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — If never before, it should be clear to you now that it's quite clear that the Americans will not give up their ability to launch anti-dumping petitions and countervailing duty suits to protect their industries — no matter what the nature of the deal is.

I ask you, Mr. Minister, are you now prepared to go to the federal government and tell them that these free trade negotiations should be ceased immediately unless the Americans publicly agree to a comprehensive trade dispute mechanism?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Now, Mr. Speaker, let me make this very, very clear: the position of the Government of Saskatchewan has always been that on the bilateral negotiations, two fundamental requirements were necessary for a deal: one was that we must have assured access to the U.S. market. That's very important to: (a) whether it's potash, softwood lumber, oil, whatever — red meat industry. Number one, you had to have access to the U.S. market, and number two, you had to have some form of dispute settlement mechanism that we saw to be fair to both sides. That, we suggest, is not in existence in the potash case on either counts. What we have said is that we must have that; that is our bottom line before we can take a deal.

As I understand, that has been the position taken forward by Reisman, that he would not support a deal unless it also required those two requirements. The members opposite of the NDP, what they're really saying is that we don't want to negotiate a deal with the Americans for bilateral trade. Now what that really means is that we walk away from a market that buys 60 per cent of our potash. Now where, pray tell, are we going to sell that potash to? Somebody that buys about 80 per cent of our uranium, and where are we going to sell that to?

If we're going to expand the red meat industry, where's it going to go but to the United States. Sixty per cent of the oil that we've produced in this province as export oil is exported to the United States . . .

Mr. Speaker: — Order. Order. Order. Order, please.

MOTION UNDER RULE 39

National Railway Dispute

Hon. Mr. Blakeney: — Mr. Speaker, before orders of the day, I rise pursuant to rule 39 of the Assembly to seek leave to move a motion on the matter of urgent and pressing necessity. I will take a moment to indicate what the issue is, and to indicate the sort of motion I seek to move.

The issue, of course, is the national industrial dispute that has shut down Canada's national rail transport system.

This dispute, between the railway companies and their employees, threatens to have very serious consequences for the Saskatchewan economy, and particularly for Saskatchewan's agricultural economy. This is a problem not confined to Saskatchewan; it's a national problem; it calls for an urgent national resolution.

I therefore seek leave to move a motion along the following lines, which I hope will be non-controversial:

That this Assembly regrets that the nation-wide industrial dispute between the railways and their employees has disrupted the rail transportation system which is critically important to Saskatchewan's economy, and especially to Saskatchewan's agricultural economy; and further, that this Assembly hereby urges the Prime Minister of Canada to use his good offices to achieve an immediate resolution of this dispute.

I therefore ask leave of the Assembly to move the motion. I hope that leave will be granted. Would you take that motion to the Deputy Premier . . . (inaudible interjection) . . . Yes, you'll like that. If leave is given, then I will say a few more words.

Leave granted.

Hon. Mr. Blakeney: — Mr. Speaker, at the end of my remarks I will move, seconded by the hon. member for Regina Centre, the motion which I have just read.

Mr. Speaker, Canada is facing its first major railroad strike in 14 years. A long history of labour peace has been shattered. I will first deal with the impact of this strike or this work stoppage on the Saskatchewan economy. I will obviously not seek to cover all aspects of it, but I will say enough to indicate that any prolonged railway dispute would have a major and very serious impact upon the Saskatchewan economy, particularly on those parts of the Saskatchewan economy which ship goods in bulk.

I turn first to grain. Virtually all of the grain exported from Saskatchewan moves by rail, and virtually all of it moves either to Thunder Bay or to the west coast ports. At Thunder Bay the situation is not crucial at this moment, since the elevators are fairly well stocked. The elevators there haven't been working at capacity over the summer, from which I conclude that they're fairly well filled, and accordingly a short work stoppage would not work a great hardship. However we are not in a position to take many gambles with respect to this, and any work stoppage of any significant length of time at all would undoubtedly cause problems even at Thunder Bay where the elevators are fairly well stocked.

And while the situation has some cushion in it at Thunder Bay, I think there is less cushion at the west coast ports. Vancouver and Prince Rupert are not, according to the best information that I could bring to bear, not as well stocked with grain as is Thunder Bay. Here I may be in error, but I think not, so we don't have the same cushion on the west coast ports.

I was disturbed, as I'm sure a good number of hon. members were disturbed, to read some of the reports

which have been about in the press recently about the movement of grain to Thunder Bay. I noted that in a clipping headed, "CN Rail gets its knuckles rapped," there is an indication that the Canadian Wheat Board has not been getting the grain into position at the west coast ports that it sought to get into position.

For each quarter targets are set, and the railroads have a target of how much grain they should get to Vancouver and Prince Rupert. And in the last quarter, that's the May-June-July quarter, CP Rail moved something in excess of its target — 4 per cent more than its target. But I regret to say that CN Rail was 20 per cent short — that's a lot of grain — 20 per cent short of its target, very nearly 3.5 million tonnes of grain short by CN Rail.

They have a number of explanations as to why this came about, but the long and short of it is that CN Rail, in the last three months, not counting August, have simply not got the grain to the west coast ports as it should. I will quote briefly from this: from May 3 to July 18 the unload target for CN was 17,775 cars, but the railroad unloaded just 14,265 cars, missing the target by 19.8 per cent.

I should correct myself, Mr. Speaker. I just said 3.5 million tonnes, and I meant 3,500 cars, and that will make it more accurate. I am sorry for speaking from some notes which are somewhat less than organized, since we were not aware that this debate was coming up until obviously this morning.

I don't know what happened, I don't know why it was permitted. But at any rate, so far as the west coast is concerned, we have less grain in position than we had hoped to have.

Grain is not our only problem. Incidentally, Mr. Speaker, I should make clear that when I speak of grain, I include oil seeds because we're talking about those things which move in bulk for export . . . (inaudible interjection) . . . Indeed they do. But the member for Kelvington-Wadena points out that that is the normal interpretation, but I wouldn't want anyone to think that I was thinking only of grain and forgetting our canola producers who are major, major producers who depend upon export, particularly from Vancouver.

I now turn to potash, and a very large per cent of Canadian potash moves by Canadian rail. Some moves by truck to the U.S. border and then by U.S. rail. And we're all familiar, I think, with the potash-hauling operation on Highway No. 9, but most flows from the mine by Canadian rail. Potash stocks are in storage at many U.S. locations, and at Vancouver and Thunder Bay, so that the problem is perhaps not immediate. But here again, the size of the cushion is such that any prolonged dispute would impact very heavily on the Canadian industry. There is no question that producers of grain, producers of potash, depend upon rail transport, and we need, we need assured rail transport.

And there are other producers. Pulp moves mainly by rail. There was a reference earlier today to uranium. I'm not aware of any uranium being shipped by rail. It is almost all shipped by truck, but that is not a bulk shipper in any case.

When we look at industries such as grains and oil seeds, potash, and pulp, we are looking at a very substantial portion of our export economy. To that I could have added lumber. Most of that moves by rail. And when we look at all of the things shipped from Saskatchewan, excluding livestock — and even some of that moves by rail — we have a very large amount of this product moving by rail, a very large part of our total export economy which will be adversely affected by any prolonged rail strike. So there can be no doubt that Saskatchewan people have a very major interest in seeing that this rail strike is not prolonged.

Now how did we get to the situation we're now in? Well there are, of course, many explanations. A long record of bad relations in the industrial relations field in the railroad is not one of them. Fourteen years without a major work stoppage indicates that there is not aggressive activity, either on the part of the management or labour up to now.

But a year ago CN announced that it proposed to eliminate 14,000 jobs by 1990. Now that's a 25 per cent reduction in the work-force. Not surprisingly, the employees are alarmed, and raised the issue urgently during negotiations. And this is the first negotiations since that announcement.

Now this comes on the top of already big cuts in railway staff. No one can suggest that the railroad unions are somehow looking for job security if that means the protection of every job. I said earlier in the House that the car men have seen their membership drop from 14,000 to 7,000 in the last 15 years. Now that is a rapid rate of attrition, to see a group of employees reduced by 50 per cent over a period of 15 years. But it was managed; it did not produce any work stoppages.

And in many other areas of railway labour there is free acknowledgement that there are going to be fewer jobs. That, I think, is not the issue. The issue is: how is the down-sizing to take place? And that, I think, is a legitimate concern of the railway management and the unions which represent the employees.

And that's why, in this particular dispute, the matters which have been front and centre have not primarily been wages — which is the normal thing — or working hours, or working conditions, but job security and pensions. And job security should not be misinterpreted to mean a desire that every job should be secure. That has never been the position, and certainly it hasn't happened over the last several years.

Everybody knows that all the jobs can't be saved. Rather the issues are about how the down-sizing is to take place, and what's going to be left for the workers who are turned out of their jobs. These issues are delicate. It's not simply money; it's not simply whether or not there'll be a wage increase of something that amounts to the cost of living or 1 per cent more or 1 per cent less. That's the sort of thing that an arbitrator can saw off, can make a judgement on, and the parties go back to their respective positions of management and labour realizing that that is settled.

When you get into these sensitive areas of the way in

which a work-force should be down-sized, whether or not there should be early retirements, whether or not there should be special pension benefits for people who are moved out prematurely, those are very, very difficult for an arbitrator to cope with. You're getting right into the management of a company, and those issues are certainly best settled, if at all possible, by the parties themselves. And so I very much hope that we will see the parties back at the bargaining table sorting out this issue. Users of the railways want the problem solved, and users of the railways are not too troubled as to how the solution comes about; they just want the trains operating.

(1445)

But if the users of the railroad are perceptive, they will know that they want the problem solved because they don't want them back again in another year. They want someone to attack this problem of how to down-size the railways, how it can be done in a way that our railways can continue to be competitive and still be fair and reasonable to the employees. And that's the sort of thing which is best sorted out at the bargaining table.

Some people, perhaps unkindly, have been suspicious of the tactics which apparently are being employed by CN. We have seen an instance of CN not being able to deliver grain, and a very substantial shortfall of grain — 20 per cent over a three-month period — at a time when they have adopted a policy of massive lay-offs.

We don't need to tell this House that CN is embarking upon a policy of massive lay-offs. The member for Melville knows this, as does this the mayor of Melville, Mr. Don Abel, who's made a crusade of attempting to at least slow down the lay-offs in his city. There have been substantial CN lay-offs in Saskatoon, all recently.

This, combined with a failure of CN to deliver the goods to the extent of a 20 per cent failure of delivering grain to Vancouver, makes one wonder whether CN is conducting its operations in good faith, or whether CN isn't attempting to create a difficult situation out in Vancouver in order to mount a little pressure for their union negotiations. I hope that's not true. I hope that's not true, and I hope that CN will make clear that it's not true.

I'm not ordinarily here defending the CPR, but the CPR has been reducing its work-force, as has CN, without nearly the difficulties that CN has been encountering, and CP has been delivering the goods, so far as grains is concerned, both to Thunder Bay and to Vancouver. I don't know whether this reflects well on CP's forward planning or whether it discloses another agenda that CN has which CP is not following.

Whatever the reasons are, I think we in this House and in this province have an interest in seeing that this rail dispute is settled — settled quickly, and, if at all possible, settled by the parties dealing with these difficult and intricate problems so they won't be back again. I fear that if we get an arbitrated settlement, it will be a very broad-brush, rough-cut thing which will leave the problems unsettled. And while they'll be lived with it for a year, they'll be back again. Because all of us, I think, know that this is symptomatic of a problem which is going

to arise in other areas of our economy. We're talking about deregulating, and this is one of the costs of deregulating.

We're talking about down-sizing and we know that as automation comes into more and more areas of our economic activity, there will be displacements of employees from their employment. And we've simply got to find mechanisms where these people can be eased out and not turfed out, and where we can find alternative opportunities for them.

I think we all know that in our heart of hearts. And we have here an example of a number, a large number of employees, 14,000 in one company alone, being moved out in a period of four years — 25 per cent of the work-force. By anybody's standards that's a big, big move, so we've got to seek ways of solving these sorts of problems.

But right now, so far as western farmers and western potash producers and western pulp producers are concerned, those are longer-range problems. We're faced with a shorter-range problem now — one where I have attempted to illustrate, if this dispute is prolonged, there is going to be significant hardship imposed upon a great number of producers. And so we're looking for action, and action now.

And we naturally look to the federal government. We look to the federal government because it is their constitutional and legislative jurisdiction to regulate rail transport. And we look to the federal government because they are the owner of the largest single employer — the CNR.

Now first I want to compliment the federal government on their selection of their mediator, Mr. Mac Carson. I'm not familiar with Mr. Carson, but I'm certainly familiar with the associate deputy minister of Labour, Mr. Bill Kelly, and there are few better operators in the field of industrial relations in Canada than Bill Kelly. And I hope very much therefore that Bill Kelly can get those . . . and Mr. Carson can get those people back to the table, solving this problem.

I urge the Prime Minister to involve himself in this issue. I'm not suggesting that he should involve himself at the bargaining table — that would not be appropriate. But I would like to think that he would involve himself in the sense of being a strategist. He is skilled in this area.

It's in nobody's interest to prolong this dispute, and I would very much urge the Prime Minister to devote some of his personal time to this, to give some strategic assistance to the government negotiators because he is in the unique position of having some leverage on both parties. He has some leverage in the sense that he is appointing the mediator and Mr. Kelly. He has some leverage in the sense that he can undoubtedly influence CN if they are the obdurate ones, and I'm not suggesting they are. And he has leverage in the sense that he can ultimately threaten to lay this matter before parliament, and then the parties have to take what they get. So with that sort of leverage, and with his particular skills which are acknowledged, I would hope that he would be able to

give some strategic assistance to those who are seeking to solve this problem.

We are looking here, and the problems surrounding, as I say, the rate of lay-off and early retirement schemes and pensions. And as I say, if possible, this ought not to be subject to arbitration since I fear it will not get solved by arbitration. It will get dealt with, but it has the prospect of recurring.

All the weapons open to the government should be used. And I say that again — all the weapons open to the government should be used. And therefore I regret the statement, at least attributed to Mr. Crosbie, that he was going to leave it to the Minister of Labour and he, the Minister of Transport, was not going to involve himself. I think he is the minister responsible for CN Railways. And I think that it is not possible for the responsible minister for the CNR to wash his hands of a rail dispute involving the CNR, which hauls half the rail freight in Canada.

It's got to involve that minister and Mr. Crosbie just as surely as it's got to involve the Minister of Labour. Simply because Mr. Crosbie doesn't have any railways in his constituency, or indeed, so far as I'm aware, in his province, except for a line up to Labrador City, should not induce Mr. Crosbie to regard this matter as of no account.

It is a serious matter. It needs the attention of every federal minister who can constructively contribute to the solution of it. That certainly includes the Minister of Labour; it certainly includes the minister responsible for CN; and I suggest it might well include the Deputy Prime Minister, Mr. Mazankowski, who is very familiar with western grain problems and with rail transportation problems, he having been minister of Transport; and it, I suggest, includes the Prime Minister who has special skills in this field.

In my judgement the Prime Minister should instruct Mr. Crosbie to change his position — his position of not getting involved — and he should instruct Mr. Crosbie to get involved because this is a matter which concerns all Canadians, and certainly concerns western Canadians.

I want now to suggest, and to close my remarks, by calling once again on the Prime Minister and all of his cabinet, and this would include perhaps Mr. McKnight, a former minister of Labour, and a person who is familiar with the grain situation here on the Prairies, to take whatever steps they feel would be useful and desirable to get this dispute resolved, get it . . . dispute resolved in a period of time measured in hours and days, and certainly not weeks, and to give the leadership which I think Canadians are asking of their Prime Minister and their federal cabinet.

I would like all members of this House to share with me that thought. And in order that we may have an opportunity to do that in an organized way, I will move the motion, which I referred to earlier, which is in the following terms. Seconded by my colleague, the member for Regina Centre, I move:

That this Assembly regrets that the nation-wide industrial dispute between the railways and their employees has disrupted the rail transportation

system, which is critically important to Saskatchewan's economy, and especially to Saskatchewan's agricultural economy; and further, that this Assembly hereby urges the Prime Minister of Canada to use his good offices to achieve an immediate resolution of this dispute.

Mr. Speaker, I so move.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. I want to add a few words to those given by the member from Regina Elphinstone. I'm pleased that this motion is being debated. I believe, Mr. Speaker, that this legislature needs to send a strong message to Ottawa with respect to the conduct of public business and the conduct of public affairs.

Mr. Deputy Speaker, I want to touch briefly on the whole question of privatization and the mind-set that Conservative governments have with respect to economic activity. They appear to be of the view that there is no proper activity in the public sector, that everything should be in the private sector, and that everyone ought to be able to treat their activity, and everyone ought to be able to act out of nothing but self-interest. And that is what has led us into this mess.

The government in Ottawa has been of the view that there's no proper activity in the public sector, that everything ought to be run as if it was in the private sector, and railways should be able to behave in the 20th century as they did in the 19th, and act entirely out of self-interest.

Mr. Speaker, it's been said that in this country there are two railways — the government owns one, and the other one owns the government. And when you look at their behaviour, there's something to that because their behaviour in this matter is almost indistinguishable.

Mr. Deputy Speaker, corporate profits . . . the corporate profits are up constantly. The CP Rail's profit for the first half of this year is \$61 million . . . for the second quarter, I'm sorry. I've not been doing those people justice. For the second quarter of 1987, their profit was \$61 million. That's double what it was last year. CN's figures are the same. You can't, since one is a negative figure and this year's is a positive figure, you can't state it in percentage terms. Last year, in the first quarter, they lost \$11 million; this year it made 17 million in the first quarter. The second quarter figures are not out for CN.

(1500)

Mr. Deputy Speaker, these railways have been behaving like swashbuckling 19th century capitalists. They've behaved, Mr. Deputy Speaker, as if they have only one interest in mind and one concern, and that's their own self-interest, and how to fatten profits — never mind that the almost inevitable outcome of their activity is a strike in the railway — that isn't their concern. Their concern is the bottom line. And I say, Mr. Speaker, that railways should be . . . I have a personal belief that the railways should be publicly-owned and treated as public utilities.

Some Hon. Members: Hear, hear!

Mr. Shillington: — While I may not be a particular hero of CP Rail, but I say, Mr. Speaker, that these services ought to be treated for what they are. These are services which are vital to the Canadian economy, and particularly vital to the Saskatchewan economy, Mr. Speaker. They should be treated as public utilities, and if they aren't — and that won't happen, I guess, as long as the current government's in office — at the very least they should recognize that they have a public responsibility for the public of this country, and they have a responsibility beyond their own shareholders and their own bottom line, Mr. Speaker.

Mr. Speaker, the importance of the railways to Saskatchewan cannot be overstated. Virtually our entire economy is engaged in primary production, and virtually everything we produce we export, and the vast percentage of it goes by rail.

I would doubt, Mr. Speaker, that there's another economy in Canada as dependent on rail traffic as Saskatchewan. All of the grain goes by rail, a vast majority of potash goes by rail, a majority of forest products go by rail, and although it isn't a factor in the Saskatchewan economy, it is in some; virtually all of the mining products go by rail.

Mr. Speaker, it is just simply not satisfactory for railways to disregard public interest and to behave like rapacious capitalists, which is what they are doing. The time is long overdue when railways have to recognize that they have to have a responsibility to the public.

Mr. Speaker, I'm pleased that we're having this debate. I'm pleased that we're going to be able to send to Ottawa a strong message that the approach which Ottawa has had, the hands-off approach, that railways run their own affairs and we don't interfere, just simply is not satisfactory. I refer, as was referred to in question period, to John Crosbie's comment, "It's up to the railways to manage their business the best way they can." That, Mr. Deputy Speaker, is just simply not a satisfactory statement of railway policy in this country.

Mr. Speaker, the public are involved. The public have a vital interest, and we call upon the federal government to take an active role in the settlement of this dispute, something which they have not done.

I want to deal briefly with the dispute itself. It is not primarily about wages; it is about job security. Mr. Deputy Speaker, one can hardly be surprised that when, as is the case, one of the railways is reducing their staff by more than 25 per cent, one can hardly be surprised that the employees are alarmed by that state of affairs. That's almost inevitable.

Mr. Deputy Speaker, I want to quote from a ... to lay the groundwork for this, I want to quote very briefly from a Canadian Press story of August 27, 1986:

Canadian National plans to eliminate 14,000 positions by 1990, reducing its work-force by almost a quarter ...

And they go on to say that unnecessary staff won't be replaced:

But we won't be able to achieve this goal through early retirement alone. Some will lose their employment.

Mr. Speaker, as one would expect, the union which represents the employees has taken strong exception to that. They have stated that the plans of CN are frightening. Mr. Speaker, assuming that the — and I'm not prepared at this point in time to do that — but assuming that some reduction in staff might be justified, there are other, better ways to do it, and I call upon the federal government to express to the railways in no uncertain terms that this approach is not satisfactory. They have a public responsibility, and they should recognize it.

It is not satisfactory for the railways to disregard public interest, as they have clearly done, and to let the public interest be disregarded. The time is long overdue when railways should recognize their public responsibility and when the federal government should recognize than an appropriate and proper policy with respect to railways requires that railways, if they are not to be public utilities, then they must behave in much the same manner, Mr. Speaker.

Mr. Deputy Speaker, that's not unknown in the Canadian economy. I refer very briefly to the banks. They are privately owned, but they behave in many ways as if they were state banks. And they follow federal government policy with respect to economic and fiscal matters, and that's what the railways should be doing. If they're not to be privately owned they must, Mr. Speaker, accept the requirements of the public needs in this country and follow them.

Now one must excuse the railways for disregarding it. As far as I know, the current government at least has never articulated any particular public need.

Mr. Speaker, one might ask: what could the federal government do? Well, the federal government could get directly involved and bring pressure to bear on both sides. That used to happen in this province in the days when we had a real Labour minister and not the parody of a Labour minister that we have at the moment. But in the days when we had a real Labour minister, more than one strike was averted because the Labour minister of the day went to both sides and did some good, old-fashioned jaw-boning, and brought the two sides together.

The Government of Canada exerts enormous influence on the railways, whatever their ownership. If the Government of Canada were to bring, and if the Prime Minister were to bring his offices to bear, I suspect that he'd find an attentive ear when he spoke to both railways and unions. This is something the Prime Minister takes — as my colleague from Elphinstone said — this is something the Prime Minister takes pride in — his ability to negotiate. He ought to bring the parties together and keep them together until they have reached a settlement... (inaudible interjection) ... I say to the member from Kelvington-Wadena, I honestly hope you make a contribution from your feet, because you're not making

one from your seat.

But I say to members opposite, the Prime Minister of Canada did this with respect to the constitution of Canada — brought them together, kept them in the room until they made an agreement. Some would say that's not an appropriate way to arrive at a constitution, but if it's a satisfactory way to settle a constitutional question, surely it's a satisfactory way to settle a labour dispute.

So I say, Mr. Deputy Speaker, we call upon the Prime Minister and the Government of Canada to recognize their responsibility and to get the railways back to work. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. It's my pleasure to speak on this motion, and it is a very, very timely and sensitive subject. And I suppose, when there are labour disputes of any sort, whether it's in a province or whether it's across the dominion of the country of Canada, and when a labour dispute such as this affects each and every single person in our country, I believe that it is time the politicians stand on their feet and talk about it. I think it's time politicians stand on their feet and take some very, very strong action.

And, Mr. Speaker, this is exactly what our government has done in the past, and this is exactly what our government proposes to do today. Mr. Speaker, I think it has to be very, very clearly understood that in today's economy — it's an international economy — that competitiveness is the key word. And I think when it comes to being competitive in all of our major sectors, whether it's agriculture or potash or coal or any of our resource industries, we have to be extremely competitive.

And the reason is, in the province of Saskatchewan the costs of transportation as a percentage of the price of our end-product are approximately 23 per cent. So almost a quarter of the price of any product that we export from the province of Saskatchewan is made up in transportation costs. That is nearly six times the average. And of course, Mr. Speaker, this is because in the province of Saskatchewan we are remote to a good number of the markets that we sell to. So, Mr. Speaker, the importance of transportation to our provincial economy can never, never be understated. It is extremely important. So when we have a labour dispute such as this, the impacts on our economy are indeed very, very significant.

I don't believe that this labour dispute can be a prolonged labour dispute. As a matter of fact, Mr. Speaker, I believe that we have to narrow this down to not a matter of weeks or months, but to a matter of hours — to a matter of hours, Mr. Speaker, because if this strike continues, the costs in dollar terms — and I wished I had an estimate here today, but the cost in dollar terms will absolutely be phenomenal.

And this comes at a time, Mr. Speaker, when our farmer friends can absolutely not afford to have one more hardship imposed upon them. This comes at a time, Mr. Speaker, when our potash industry has already received what I would call crippling blows — crippling blows to

our potash industry, Mr. Speaker. And any undue hardship imposed upon our potash industry will be absolutely disastrous to this economy.

So, Mr. Speaker, this debate that we speak of here today is not one that anyone should take lightly. It is one that we should all be extremely concerned about, for this particular dispute impacts each and every one of us in this province, and it's reaching right into every one of our pocket-books, Mr. Speaker. So I say very, very sincerely that this is a matter that has to be dealt with today. It is a matter that has to be judged not in days or weeks or months, but in a matter of hours.

Mr. Speaker, competitiveness is extremely important, once again. Transportation today is in a very, very much of a changing state. The federal government has introduced a new national transportation Act that has called for the deregulation of many, many sectors, and one of those certainly is rail. And the reason for this, Mr. Speaker, once again, is competitiveness — extremely important.

This labour dispute, this labour dispute is having extreme implications on our ability here in Saskatchewan to be competitive. And if we want to have companies enjoying profits and paying taxes, those companies have to be competitive. And if they are not, they will not pay taxes, they will not make profits, and we, as a result, will very, very much suffer.

Mr. Speaker, I suppose the debate today, the debate today should take into account, and our provincial government should be judged on, what steps we have taken. Mr. Speaker, this strike did not come about without some advance warning, at least to members on this side of the House. We were well aware a number of weeks ago that the railways were in a position to strike, and I believe that our government should be judged on what steps did we take. Did we stand idly by, or did we make representations and, I say, make strong representations? Did we make strong representations to Ottawa? And I am very pleased to inform the Assembly, and to inform the people of Saskatchewan, that yes indeed, our government was aware of the situation. Yes indeed, our government took steps.

And I will once again go through the chronology of events of what our government did in respect to contacting our federal counterparts. Our Premier met just a matter of about 10 days ago with the Deputy Prime Minister of our country. Right on our own soil here in Regina, our Premier met with the Hon. Don Mazankowski, Deputy Prime Minister. Our Premier spoke with another very influential cabinet minister, the Hon. Bill McKnight, here in Saskatchewan, and our Premier made strong representations to those two powerful individuals. Our Premier told those individuals in no uncertain terms what the position of this government is. And the position of the government clearly is: we would respectfully urge the Government of Canada to take whatever steps are necessary to avert a rail strike, in very, very short order. So it was well-known by our federal counterparts.

(1515)

Our Premier, in fact, wrote another letter to the Hon. Pierre Cadieux, Minister of Employment and Immigration. Further to that, this morning I sent a letter off directly to the Hon. John Crosbie, urging exactly what we're speaking of here today; urging the government to do whatever is necessary. And whatever powers they have, which are quite wide-ranging, I will admit, whatever powers they have, we said, you use those powers because if you do . . . if you do not, that will be detrimental to our provincial economy. It will hurt every citizen that we have in this province.

Further to that, Mr. Speaker, I'm pleased to announce that the Hon. Pierre Cadieux has called both of the parties together. He is a powerful minister and he ordered . . . he said, both of you parties — both railways and both union negotiators — you come to Ottawa; you sit down; we will appoint a mediator; and you hammer this thing out. And he has done so with a great deal of insistency.

And so, Mr. Speaker, I believe, and I have every faith that those negotiations, I trust, will be forthcoming, and a very, very quick end will come to this dispute.

Mr. Speaker, and I think those steps, when you take a look at the overall situation, have been responsible, and I believe that the outcome will be favourable. I do not want to turn this debate into anything partisan at all, but I do find it very, very interesting that the member from Regina Centre, who spoke just previous to myself, has stood up, and he offered many, many good suggestions. But underlying, and underlying there is a great fear on my part when I saw the member rise because I knew where he came from. He came from the old NDP, who haven't changed, by the way, and it's very, very significant to note that one of the key parts of his speech that he just gave was, I believe he said: I believe that the railways, all of the railways should be nationalized.

I do not think that that is the answer to the problem we face today. I don't think it is the answer to the problem we face in the medium term or the long term. I think it was quite "off-the-wall" that he would stand up and say that one of the ways we could fix this would be to nationalize the railways. I don't think, really, that is sound thinking on the part of any persons.

Mr. Speaker, once again I don't care if it's a dispute with the railways or with any other fundamental economic service that is provided here in this country, it is up to the politicians of the day to stand up, to stand up and say: well perhaps it is a little heavy-handed — it may appear to legislate workers back to work or to take those types of extreme measures. But, Mr. Speaker, it is time that the people in this country realize the importance of such sectors as transportation. And, Mr. Speaker, a prolonged strike, or even a strike that would last more than a few days, would be absolutely crippling to our economy. And I believe that it's only responsible politicians who will stand up and look at the overall impact on all of the citizens of Canada, all of the citizens of the province of Saskatchewan, and take whatever legislative actions are necessary.

And there are those who may say, well, you know, we have to protect all of the jobs. We have to protect all of the

jobs, and they only keep that in mind. I think, Mr. Speaker, that is extremely narrow thinking. And I'm not about to say that this government is not concerned with job lay-offs or job security. Of course we are, Mr. Speaker. Our goal is to have more and more people working.

But, Mr. Speaker, I think it is not responsible to just stand up and say: at all costs we have to have complete and total job security for everyone. Mr. Speaker, there are technological advances in absolutely every industry that you would see across this country, and at times there are going to be efficiencies that will cause less people to work, will cause people to change their type of employment. And any responsible employer would take the view that these people may not have the same job today, but we'll put them into something else, we'll help them with retraining, we'll offer some early retirements and take those types of steps.

And, Mr. Speaker, I think it would only be those who would stick their head in the sand and say, we have to have absolute job security for everyone. Mr. Speaker, that simply is not possible today. And I believe that those types of thoughts are going on across the country by some members, and I think, quite frankly, predominantly those of the NDP, who represent a lot of the union bosses, who really do not have the best interests of the entire country at the time . . . (inaudible interjection) . . . Yes, you certainly are, sir.

And, Mr. Speaker, I think that our government has taken a reasonable and a responsible approach to this. Mr. Speaker, once again the importance of the transportation system to the citizens of this province cannot be understated. This dispute comes at a very, very difficult time for the province of Saskatchewan — difficult time with respect to the farm crisis, if you like; difficult with respect to the potash crisis that we are undergoing. And, Mr. Speaker, very, very strong actions are needed.

And as such, Mr. Speaker, I will be moving an amendment to the motion. It is an amendment that will go a little bit further than what the members of the opposition have stated. And what we will be asking for in our amendment is that after a certain period of time, after a period of 72 hours, that if a negotiated settlement or a mediated settlement does not appear to be achievable, that after 72 hours we would urge that the federal government take such legislative action that is absolutely necessary to end the dispute.

And that, Mr. Speaker, can be viewed by some as being a little harsh. But, Mr. Speaker, it is high time that politicians of all stripes stood up and said: you bet. If the interests of a few are going to jeopardize the interests of the people across this country, it is incumbent upon the federal government . . . it is incumbent upon that government to take whatever steps are necessary.

And if that includes, Mr. Speaker, going into parliament and saying, I'm sorry, but you workers are legislated back to work, our government will stand behind that and we will say, Mr. Speaker, that that is in the best interests of the people all across this country.

Mr. Speaker, I would now like to move that motion; it will be seconded by the member from Kelvington-Wadena. The motion reads as follows:

That the motion be amended by adding "and should a negotiated or mediated settlement appear to be unachievable after 72 hours, to move immediately to take such legislative action as necessary to resolve the dispute," thereto.

And I so move that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Petersen: — Thank you, Mr. Deputy Speaker. I appreciate the opportunity to speak on this motion and to support the amendment to it. The ex-Leader of the Opposition got up and moved a motion under rule 39 that we're debating at the present time. He looked a little bit out of place talking about grain and farmers, and so he didn't talk very much about agriculture; he spoke more about the unions, the workers; he mentioned the word "car men." That's fine. He shows that he knows a little bit about railroads. Well let's talk about workers; let's talk about farmers and their relationship with one another; let's talk about technology, technological advancements and the changes it's meant in every industry, not just in agriculture; let's talk about rationalization.

Mr. Deputy Speaker, in the grain handling industry over the last 20 years we have seen some major changes. Elevator companies are closing down, there are smaller plants in every small town and going to more centralized locations. That's partially because of the size of the vehicles that are being used to deliver grain to the elevators at the present time. It's also because of the improvements in transportation systems, roads have gotten better. Farms have gotten somewhat larger, and elevator companies find a certain amount of economy in the scale of their operation getting somewhat larger. Railroads, too, have experienced the same thing.

Today we have hopper cars capable of carrying 4,000 bushels of grain. In the past, boxcars carried 1,800 bushels of grain. A hopper car requires very little maintenance. There's no cooping involved, and for members of the opposition who know very little about agriculture, that means putting in removable doors inside the boxcar that are removed when the grain is unloaded. The hopper car has the advantage, as well, of modern technology on its wheels, its bearings, its brake pads, and the rest of the systems — the air systems that are involved with the braking of the vehicle.

And what do car men do? Well, my understanding of what they do . . . the members of the opposition shrug. They don't even know what they do. I understand that they are responsible for the maintenance on these types of vehicles.

Well, Mr. Deputy Speaker, when you are now hauling twice as much in the same vehicle, in the same type of vehicle as you used to haul, it only stands to reason that there are going to be fewer of them. And that's exactly what's happened. We've replaced 25,000 boxcars with 15,000 hopper cars. As well, the turn around time on the

hopper cars at the ports has now increased in efficiency. The turn around time is becoming less and less. So you're having fewer vehicles on the road for car men to check. And that's what the Leader of the Opposition was talking about — the guys who are checking the cars and making sure that they're serviced. Well it looks as though technology, through no fault of those workers, has caught up to them.

But, Mr. Speaker, technology has caught up to a lot of people. Let's take a look at farming, for example. We no longer use horses to pull our ploughs. We no longer use horses to pull our hay rigs. We use tractors. If we were going to worry about the income level of every person in Canada because of changes in technology, it would break the federal and provincial treasuries. And the Leader of the Opposition conceded — you cannot protect everyone's jobs. But I think you have to be cognizant of the fact of who pays the bills.

Let's take a look at moving grain today, Mr. Speaker. The farmer gets approximately 98 to 99 cents for a bushel of barley today. When I started farming in 1975, I was getting 2.12 a bushel. My costs have gone up, yet what I receive for my product has gone down, but nobody's worried about my job security as a farmer. Nobody's worried about my family; nobody's worried about my cash flow; nobody's worried about those things for the other farmers in Saskatchewan, and I think I can speak fairly well for them — unlike the members of the opposition who have only, I believe, one practising farmer in their ranks.

Mr. Speaker, what about our families? What about the families of the farmers in Saskatchewan and the people who depend on agriculture? We've got 65,000 farmers in Saskatchewan, but we also have several thousand people who work in industries that support them. We've got the agricultural implement industry. We've got the ag chemical industry. We've got the grain elevator, the move industry. We've got . . . the Pool elevator has farm service centres. For the Pool elevator, UGG, Cargill, whoever have got people working in elevators receiving grain — what's going to happen to them? They're going to have to be laid off, Mr. Deputy Speaker.

I think it's absolutely essential that a quick resolution to this strike be reached. We cannot afford to have another shortage in cash flow as that which we experienced last year when another sector of the grain-moving industry went on strike.

I'll tell you, Mr. Deputy Speaker, I'm beginning to get tired of farming. I'm beginning to worry a lot about farming. It isn't bad enough you've got grasshoppers and hail and drought and flood and frost, but now we've got the unions going on strike — one a year. Take your choice; it's your turn this year; you can go on strike this year; let's bring those farmers to their knees. God, we're on our knees already, Mr. Deputy Speaker. We're hurting very badly — very, very badly.

And it's backed up by statistics that members of the opposition have brought up on a number of occasions. It's backed up by statistics that members on our side of the House have worked on long and hard. It's backed up by

every farm group that comes to the government and says, we've got to do something; we have to more, we have to try to work at this rationally; we have to protect our agricultural sector.

(1530)

Mr. Speaker, we have been trying to do that. And every time we try to do something constructive in the province of Saskatchewan and in the country of Canada, somebody else decides to go on strike. It isn't bad enough Mother Nature's against us, we've got to fight the unions too.

Mr. Speaker, I am not union bashing. I am saying that there are some people who are not considering the good of the country when they are looking after themselves. And I can't blame them for doing that — I can't blame them for doing that. The union bosses sure like the fancy jobs they've got. I'll bet you if you asked the average guy working the railroad whether or not he was satisfied with his job, he'd say, yes I am. If you explained to him that there was going to be a rationalization in that industry and that some of the people would be phased out, he'd say, yes, I can agree with that, provided they have got a reasonable separation package.

We've seen attrition, normal people, normal age limitations being reached, people moving out of the work-force, that sort of thing, Mr. Speaker. This side of the House, this government, has been very compassionate in our dealing with people into the government sector, in the public service, in attempting to reduce the size of that public service, to reduce the tax burden on the people of Saskatchewan. We've dealt fairly with the people, and most have accepted the early retirement packages, so on and so forth. And I would expect, Mr. Speaker, that the railroads would have such negotiated packages in place.

Mr. Speaker, if this is an attempt by people to look after that type of a rationalization, to deal fairly with the owners and operators of the railroads, if these negotiations are aimed at trying to look after the average, ordinary railroad worker, I can agree with the negotiations. I can agree with wage settlements, with retirement packages, all those things, Mr. Speaker, but I cannot agree with a few union bosses deciding to use this as a political tool to embarrass the federal government at the expense of the Saskatchewan farmer.

And the two members who are still on the other side of the House — the rest of them have left, Mr. Deputy Speaker — they instituted this emergency debate and there's only two of them there — sit there and shake their head. Oh, two more came back . . .

Mr. Deputy Speaker: — Order. Order. The member shouldn't make reference to people being in the House or not being in the House.

Mr. Petersen: — Thank you, Mr. Deputy Speaker, and I apologize for referring to the fact that there is only two members left in the House. I won't do that again.

An Hon. Member: — How many?

Mr. Petersen: — Oh, there's four now, you're right.

Mr. Deputy Speaker, commodity prices for farmers are at an all-time low. We have got 20 per cent of the farmers in Saskatchewan, 20 per cent of the farmers in Saskatchewan facing very serious debt problems. The last thing that we need is another cash flow problem, and it's here, it's here.

Of course members opposite would say, well what's your problem. You can get a cash advance as a farmer, and that should stave off your immediate concerns. It might pay the fuel bill and the fertilizer bill, but it doesn't address long-term debt payments. It doesn't address other payments that are being expected by people in the service sector. The cash advance does not cover much more than \$25 an acre, which is a good thing, Mr. Speaker, it covers off some immediate short-term debt. But there are many farmers today who are sitting in the unenviable position of trying to deal with a financial institution in reaching an agreement on how they're going to perhaps down-size their farm or change their farming practices to meet the cash flow available to them at this present time.

And this latest strike, Mr. Speaker, will throw into doubt many, many hours of long, hard negotiation that these farmers have entered into. Many of those farmers are now facing a lot of uncertainty they didn't have on Friday. And, Mr. Speaker, the last thing we need is more uncertainty in the agricultural industry.

I could go on for some time, and we could stand here as members of this Assembly and throw facts back and forth. We could toss numbers around all day, and we can quote how many people are going to lose their jobs in the railway and how many people are going to lose their jobs on the farms and how many people are going to be hurt in the industries that serve agriculture, but, Mr. Speaker, I don't think that would serve any useful purpose. I think what we have to consider here is the economic realities that this type of action imposes on the people of Saskatchewan.

As far as I can understand, Mr. Speaker, the union that went on strike did so as soon as it was legally possible for them to do it. Now if I'm wrong in that, I'm sure a member of the opposition will correct me. But, Mr. Deputy Speaker, if that is the case, I would be very, very upset with that particular union.

So you run to 12 o'clock midnight, Sunday night. There it is. That's it. Pow! They're in a legal position to strike. Well, Mr. Speaker, those people who are so concerned about their rights and their legal position, I'm sure, are reasonable Canadians. I'm sure they have brothers and sisters and maybe relatives in the agricultural sector or in one of the other sectors, in coal or potash, and I'm sure they don't want to see those families hurt. But, Mr. Deputy Speaker, they will hurt and they will hurt very badly.

I would have preferred to see these people continue to work, continue to move grain, continue to move coal, potash, all the other commodities, and at the same time continued their negotiations. They could have asked the

federal government to institute a mediator instead of going on strike, but they didn't do that. They went on strike first. And it was only because of the responsibility of the federal government that we have a mediator in place now.

Well, Mr. Speaker, I have to support the motion by the Minister of Transport . . . amendment to the motion, pardon me, because of all of the reasons that I have just stated. I think that any member of this Assembly in reasonable conscience will also have to support that amendment. Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. I'm pleased to be able to enter into this debate. I listened very carefully as the member for Kelvington-Wadena just said to this House that he would be happy to support a negotiated settlement in this dispute for the sake of the average railroader, the average rail worker.

Well I would like to say to that member, and to all members present, the perspective of some of those average rail workers. This morning, before leaving Moose Jaw to come to Regina, I took the opportunity to meet some of those workers who are on the picket line and visit with them. And I found from them, Mr. Deputy Speaker, they don't enjoy being on that picket line. They don't want to be on that picket line.

Mr. Deputy Speaker, the people who are going to suffer first and foremost in this dispute are those rail workers. And the people that I met on that picket line this morning are predominantly young men and women, many of them with young families, mortgages commitments. They will be the ones who suffer first and foremost because of this dispute.

Mr. Deputy Speaker, I can point out from the Moose Jaw Times-Herald that, as late as last week, rail workers in Moose Jaw were expressing the view they did not want to see a strike; they were hoping for a negotiated settlement. If I can just quote from this article from the Moose Jaw Times-Herald, dated August 18 of this year:

Moose Jaw railway union officials are paying close attention to negotiations under way in Montreal trying to avoid a railway strike. Allan Gallagher, local chairman of the Brotherhood of Locomotive Engineers in Moose Jaw, said, "Seven unions in the Band City are represented by the associated railway unions in negotiations." He noted that the unions are prepared to go out if necessary. However, Gallagher said he definitely hopes there will be no strike. (Quote, Mr. Gallagher) "Preliminary reports indicate there may be some hope. The unions appear to be leaning toward the conciliation report recommendations, but I don't know about the railway management."

Mr. Deputy Speaker, the rail workers that I know in Moose Jaw South and in the city of Moose Jaw and, I believe, rail workers across this country, want a negotiated settlement. They want to be at work. They

don't want to be on the picket line.

Mr. Deputy Speaker, the rail workers want a transportation system in this country that will serve this nation, that will work for everyone's advantage — for the advantage of the agricultural community in Saskatchewan, for the advantage of the potash industry in our province, for the advantage of passenger travel. So, Mr. Speaker, why are they this day, then, out? Why are they on that picket line? What has forced this situation?

Well, Mr. Deputy Speaker, these workers are up against the rail empires of this country. Particularly in the Moose Jaw situation, they are up against the CPR railroad, who over the past dozen years have forced cut after cut after cut on these workers, and they're saying to themselves: how long can we endure these cuts? How long can it go on?

Two very significant issues for rail workers in the constituency that I represent are, one, the matter of the caboose. As you will know, Mr. Deputy Speaker, the national railroads in this country are proposing to remove the caboose from the freight trains that cross this continent and cross our province. They are proposing to remove the caboose and replace it with what's called the ETU, the end of the train unit, a little black box that to my understanding simply monitors brake pressure and speed and distance travelled. They are in essence wanting to replace the caboose and the conductor — the employee — the worker who rides in that caboose — with this little black box.

They are saying that you can take a human being off the end of that train, replace it with a little electronic device, and ensure the same level of safety. They are saying that you can take that little black box and replace a human being, and the five senses of a human being.

When we consider the volume of hazardous goods that is transported across our province, the hazardous goods that travels through every community which we represent, that ought to be of concern to all of us and not simply the rail workers.

Mr. Deputy Speaker, the rail workers know that this is a safety issue as well as an employment issue. They're on that line today because they believe the caboose ought to be maintained. The railways say they need to reduce costs, and the way to reduce costs is to reduce people. Mr. Deputy Speaker, I believe the men and women I met with this morning are there because they're concerned about safety, and they're concerned about jobs for themselves and other Saskatchewan people.

And I say to myself: is it any wonder these folks in Moose Jaw are concerned when we consider the record, particularly of the CPR, in our community over the past three and four years? Let me just give you an example of the cuts we've seen in the city of Moose Jaw over these past three and four years.

From the inside workers — these are people that work in the station — in the past four and five years we have lost 35 jobs in the city of Moose Jaw — 35 jobs out of our community, out of our province. From the car men out of

Moose Jaw, over these past three years — three years ago there were 72 permanent employees; there were 15 relief employees. Today there's a total of 60. That's 27, 27 positions gone in three years. And from the maintenance of way, from the section crews, those crews have been cut almost 50 per cent. So we used to have crews of eight; those crews are now down to three. Is it any wonder the people who work for the railway in Moose Jaw are concerned about their jobs and how this down-sizing of the railroads is taking place?

Mr. Deputy Speaker, I believe this strike is occurring because of railroads who are more concerned with profit than they are with people, because of railroads who are more concerned with their profits than they are with the safety.

And if we're looking for the cause of this dispute, I think we should be looking into the boardrooms of the CNR railroad . . . the CNR and the CPR. This strike has been forced upon rail workers and, indeed, upon we, the people of Saskatchewan, by the railroads of this country.

(1545)

Mr. Deputy Speaker, there is good hope for a solution if indeed our Prime Minister will use his good office to intervene, to bring pressure, particularly on the railroads, to get back to the table, to bring some fair and just proposals.

And frankly, Mr. Deputy Speaker, I am a little disappointed in the amendment that has been brought to this House. If members opposite were sincere in their desire for a negotiated settlement, I ask: why then, why introduce this threat? Why at this time put a threat into these talks? I'm sorry to hear that; I'm sorry to see it. I was hoping that we could have a positive discussion here today with some positive feelings on all sides, and let's leave the threats out of it. But we've seen them introduced, Mr. Speaker.

I join with members on our side in hoping that this House will send a strong and clear message to Ottawa that indeed our Prime Minister will use his good office to intervene, to bring the parties back to the table to resolve the issues of safety and job security and strive for a negotiated settlement, because clearly a negotiated settlement is a settlement that will best meet the interests of all parties, will meet the interests of our province and all the consumers of the rail, and will be best for rail workers.

Mr. Speaker, this issue deeply affects the people I represent, and I would hope that all members could be sincere in their desire to see this dispute settled fairly and justly.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Deputy Speaker. I'm quite pleased to join with my colleagues in this debate. I'm a former railroader. I used to work with the CNR back in the early 1970s as a trainman. At that time we as employees, Mr. Deputy Speaker, really believed that the company we worked for, and the industry we worked in,

was the best company and the best industry a person could work for anywhere in Canada.

The member from Kelvington-Wadena said in his remarks that if you ask an employee now who worked for the railway whether they liked their jobs, he said that the employees would in almost every case answer yes. I think the member is partially right, and I concur with part of his statement.

In the days when the railroads treated their employees with respect, in the days when the railways led the industrial wage composites and salaries offered to employees, that was, in fact, almost unanimous among all employees. What we've seen over the years, Mr. Deputy Speaker, is an erosion, a clear erosion of that subsistence, of that subsidy in terms of high wages. We've seen an erosion, in terms of railway commitments to the work-force, to the employees that have got them to the position that they're in now.

Back in 1970 a study was done on the CPR, and I know the study quite well because I undertook the study myself at the university. The purpose of the study was to determine what Canadians in 1867 to the period, the mid-50's, provided to the Canadian Pacific Railway in terms of dollars, and grants, and tax breaks and so on to get them to build this railway coast to coast. In 1970 dollars, the figure was somewhere between 3 and \$4 billion of taxpayers' and Canadians' property and land and oil rights and so on. Now that number would be double or triple, depending on the inflation factor, but somewhere between 8 and \$10 billion, '85-'86 dollars. That money was given to a corporation, I might add, Mr. Speaker, that was supposed to develop a national railway system and employ workers and deploy immigrants across the country so we could build our nation.

What we have seen over the decades since those grants and dollars and land and oil rights were provided is a clear divorcing of the obligation of that company to the Canadian nation. What we have seen are these assets numbering in the over \$10 billion, is a carving out of other companies from CPR, the Canadian Pacific Railway — we have seen CP Air, CP Hotels; we have seen mining corporations; we have seen CP shipping and CP trucking and Pan Canadian Petroleum ad nauseam. There's just a host of companies they've spun-off from the assets they were given to provide a complex and comprehensive and modern railway system to this country to build our nation.

We've seen these assets carved out and sold off into other areas. And in effect, what we've got in this country are two national railroads. One that we've paid for but don't own, which is the CPR, and we've got the CNR, which we own but haven't paid for. Two railroads.

We're paying double for the railroads, and we're seeing now in this country, Mr. Deputy Speaker, a divorcing of responsibility from these railroads to the commitment of this country. I see it in broader terms than just labour and grain shipments and those kinds of disputes. I see it as a lack of obligation of the railroads in this nation to fulfil what they were supposed to fulfil as a result of financial commitments of the people of Canada.

Like my colleague from Moose Jaw South, I visited some of my former colleagues, some railway workers at the CNR, this morning on the way to the office. What they told me, I concur with the employees in Moose Jaw told my colleague, that they are concerned not for getting more dollars out of the railroads but they're concerned, Mr. Deputy Speaker, about job security. And that's fairly important. They're not concerned about having guarantees in writing to have a job for ever. What they're concerned about is what government should be more concerned about — that when times of tough economy are upon us, we don't blame the international markets; we don't blame the governments that are here entirely; we don't blame the opposition or former governments. What we try and do in this respect, Mr. Deputy Speaker, is to realize that the obligation of government in tough economic times is to provide some leadership to get involved in the economy, and if that means . . .

Before the power interruption, Mr. Speaker, I was making some comments about the obligation of government, that I believe many of the workers who are on strike now agree with, and that is that government is obligated in tough economic times not to extract themselves from the economy, not divorce themselves from any responsibility that they were elected to carry out, but, in effect, to become more involved in the economy and to provide some leadership.

If that means saying to the railroads and to the negotiators of the railroads, you should try and resolve this settlement in the interests of our nation because we want to ensure that people are working; we want to ensure that there is some security for jobs; want to ensure that the grain handling system is working to its capacity, then that's what we should do. If they did not have that interest, then maybe they should extract themselves.

But what we see in terms of economy, when a government extracts itself from the economy, is that we see contract workers proliferating; we see part-time jobs growing at alarming rates, and of course a major decrease in full-time employment. With that, the part-time employees do not have the security of extra benefits like Canada Pension payments and other pension benefits such as dental plans and drug plans.

We see therefore, Mr. Speaker, more people operating on lower income, not going into businesses and spending money, not providing basic needs for their families and, therefore, through the programs and the policies of the government, stifling the economy. For every dollar the government spends in the economy, Mr. Speaker, that generates a multiplier effect of three times the amount as an economic activity spin-off. So that if we're giving these workers full-time jobs, they are more able to care for their families as well as to spend money in the business community, thereby supporting other employees in the province and in the nation.

One of the major problems that I have with the railroads, other than the fact they have spun off a lot of the assets that we have given them as Canadians, is that during the Crow rate hearings in the '70s, some of you may recall, the railways appeared before the Canadian Transport Commission and the federal government and pleaded

their case for doing away with the Crow rate which was enshrined in legislation. They whined and they squealed that it was far too costly; they weren't able to pay their employees enough; and they weren't able to keep up in terms of the rolling stock, the good quality rolling stock; they weren't able to provide adequate passenger train equipment for these people in our country.

And they went at this tack and they said, if the Crow rate was abolished and they could charge higher rates for moving grain, they'd be able to pay their employees a better wage, because at that time the wage station in terms of the overall payments to employees had decreased in the railway industry significantly and alarmingly; and that rolling stock had been depreciating not only in value but in terms of quality. It was a good argument from their point of view. And they said, if you give us more money for hauling grain, we'll be able to ensure our employees are well paid, to ensure that they're working; we can improve our rolling stock, and we'll have good passenger equipment to haul Canadians across this nation.

The Crow rate is gone. We have seen tens of millions of dollars more paid from farmers to the railways. And what we've seen as a result of this is a total lack of obligation, an extraction by the railways from the commitment to the CTC and the Liberal government — and in those days supported by the Conservative opposition in Ottawa — to commit more funds to paying their employees and to purchase new rolling stock.

We've seen the passenger stock not only depreciate, but it's almost at a point where it's embarrassing for people to be using that stuff, it's so outdated — not only embarrassing but ultimately very dangerous. We have seen as well, Mr. Speaker, the rolling stock numbers not increase as the railways had committed, and we've seen a massive decrease in the number of employees for the railways.

What they are talking about now, what they have been since last year — almost a year now in terms of negotiating this contract which expired at the end of December of '86 — is to have some sort of security that if new technology is going to be introduced, that the number of employees that are employed by the railways is protected in some fashion.

What we have seen, a number of instances lately, very clearly, Mr. Speaker, is the increased danger of moving hazardous goods on the railway. We've seen the increased danger to the public and to employees alike because of the reduction in the number of car men and other railway employees who maintain not only the lines but also repair and maintain boxcars that travel on those lines. We've seen a reduction from 14,000 to 7,000 for car men. And what that means is when a train of a hundred boxcars rolls into a yard, rather than having sufficient number of car men to check every boxcar, every axle — there's rolling bearing boxes that have to be oiled, there's dragging equipment that has to be checked for, and there are repairs that have to be made.

And people may not know this, but if you don't provide oil to these bearings on a regular interval, not from

Thunder Bay to Regina, but from Thunder Bay . . . and they should be checked at Rainy River; they should be checked at Symington, and points in Winnipeg; and they should be checked in Regina, in Moose Jaw, and Broadview. They should be checked, because if they're not and the oil is used up, as in many cases it is from here to Thunder Bay, you will see hot box occur, which means the axle's starving for oil and they break, and there's accidents occurring. And if they happen to be hauling in that train, Mr. Speaker, some hazardous commodities, we will see examples of Mississauga repeated throughout this nation, and that concerns me a great deal.

(1600)

Mr. Speaker, as a former member of the United Transportation Union, and a former member of the CNR, and a son of a farmer, I feel torn between what the railroads are trying to do and what the negotiators for the unions are trying to do on their behalf. And I'm torn because I believe it's very important to have a grain handling system that is efficient, but at the same time I believe that members who are employed in the transportation industry, such as the railroads, require a basic kind of security in terms of their job, and a basic minimum level of income for the wages . . . for the work that they've put forward on their wages.

So in summary I'd like to say, Mr. Speaker, that I hope the dispute is settled through the free collective bargaining process. I would feel concerned if we were to put a limit of 72 hours over the negotiating process, because in effect what that means is we have a sword of Damocles hanging over these people who are negotiating and who are mediating the dispute. I'd like to see a quick and beneficial resolve to this dispute on behalf of the employees, on behalf of the people that the railways serve, and I'm sure all members agree with that.

So I'd like to say that I do support the motion moved by the member from Regina Elphinstone. Thank you.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. I want to address myself to a few points in relation to this discussion on this motion as amended. And I want to first of all begin by saying, Mr. Speaker, that it's very inopportune, I believe, to have had the strike come at this time. The stress on the agriculture sector has been indicated to some extent. I want to deal a little bit with that, and I also want to deal with some other aspects that relate to volumes and traditional moving directions in the area of transportation as it relates to grain.

We have to take a number of things into perspective, Mr. Speaker, in dealing with this subject, and I want to place them before the Assembly today. We have come from a place in the market and production of grain in Canada to a very highly technical method of transportation, production, and we have to recognize some of the opportunities that we have put into place and are using at this time.

If we take a look at . . . go back in history even till 1979,

Mr. Speaker, the total consumption in grain in the world exceeded that of the production. We have come to the place in 1987, Mr. Speaker, where we have today more production than we have ever had in the history of the world as far as grain is concerned, and also, Mr. Speaker, we have come to the place where we've had the highest consumption, which has led us to some very serious problems as it relates to transportation in western Canada.

We have had the railroads, together with a lot of the grain companies, dealing with rationalization of their system. And I know that has been happening for quite some time, because it's happened in my constituency. I've had one railroad taken up in the last 15 years. I've had another one that has been applied for, and these are very serious problems that relate to the rationalization of the system in the railroads. We've got serious problems there. The communities, they die; they quietly steal away. And all you hear is the negatives that have occurred, for two reasons, Mr. Speaker. One is the railroads, and in my case it's the CPR and the elevator companies, and both of them are somewhat to blame for the problem.

The second thing I want to deal with in relation to this flow of grain into the market-place — we're doing it with fewer elevators, less railroad track, and we're doing it better than we've ever done before . . . or we're moving more volumes; I should put it that way. The reason why we are having a problem and a concern today in this discussion is that western Canada produces about 5 per cent of the world's production in grain, and we have moved from about 15 to 17 per cent of the international trade to 20 per cent of the international trade in the volumes that have to move to market. And we in Saskatchewan are extremely vulnerable to all of those movements because we are moving it the greatest distance, whether you go from here to Thunder Bay or whether you go from here to the Pacific coast.

Now in dealing with that, the railroads have, to their benefit, have — and to compliment them — they have developed some very intricate systems within the framework of going through the Rockies, going west, and I think that some of those things have been fairly well dealt with.

We have had, as it relates to the CNR, high volumes of grain moving to the west coast in Prince Rupert, through some of the roughest rocky mountains you could ever imagine. And they have, through that port, moved almost five million metric tons themselves. And therefore, Mr. Speaker, they have dealt very precisely with some of the problems that relate to the mechanics of moving that grain. We have had a lot of grain moved through that port. That port was expected to deliver and move into ships at a maximum of five million metric tons, and they were expected to do that over a longer period of time. But, Mr. Speaker, they have done that, or they're very close to that, in this crop year. And I think what we have seen, Mr. Speaker, and what I'm trying to say here, is that the focus has been on delivery, and it's been done. But what has that created? It has created a dependence that we have on the marketing system, the transportation system, to deliver the product to the market and offshore market. And we need that to happen.

However, there are some things that need to be addressed, as it relates to this, and I just want to point out a couple of things that deal with that. First of all, the movement of grain to the western ports — about 60 per cent of all the grain moves that direction, or has moved in 1986-87. And most of that influence has come from the grain movement through the port at Prince Rupert, and that's why it's a very valuable part of the grain transportation system.

I'm just going to quote a couple of things here that need to be addressed, and what it demonstrates, Mr. Speaker, is the seriousness of the problem. As I said, we have a dependence on the transportation system in Saskatchewan far more than anyone else. It deals with things like potash; we've discussed that. We have to deal with aspects like lumber and other commodities — coal, for example. The one I want to deal with specifically is grain.

The effects of the disruption of the rail service could impact as early as tomorrow. And the reason that it has that significant impact is because we have been delivering about 6 to 7,000 cars into the ports in only going to the west coast. And that, Mr. Speaker, is a fairly significant amount of volume. And how does that impact on me as a producer in not being able to move that freight to the west coast? And I'll tell you.

Today in Vancouver there are five ships loading. Four ships are waiting to load, and six are due for loading. So we have 5, 10, 15 ships close or in position to load grain from western Canada. We have come to the place, Mr. Speaker, where we have to deal with some very competitive competition in the market-place. Other countries are able to access their grain from other parts of the world if ours are cut short. And what we do in fact, Mr. Speaker, we do a disservice to those people in Saskatchewan who are grain producers who aren't able to access the market because of people being on strike.

And I think that that's very, very serious when you take into consideration that one of these ships out of the west coast ports could be the equivalent of all the grain in my constituency — one of them. And that is the impact that it is to my constituency, and it's a very, very serious one. And I think that the way the resolution has been moved and amended, I think is absolutely necessary. It impacts very, very seriously in my constituency.

I want to also say that in the ports as it relates to Thunder Bay, there is a lot of grain there. However, the way the system works is that grains are graded and moved out into the shipping areas by grade. People buy them by grade. They buy various kinds of commodities — they have feed grains no. 1, no. 2, no. 3. And that, Mr. Speaker, is what they buy. And if that isn't in position in those ports, and there's no access into that position because they've been moving it through on the direct flow, then we have a very serious problem.

The other thing that I want to say about the northern half of the province, and that I think is very important, is that CN delivers to Churchill. And Churchill really only delivers in the summer time. It impacts in your seat, Mr.

Speaker. It impacts all of the north-east, and we need to have an opportunity to move that grain out of that port at Churchill. And I think that we have to seriously consider the impact that this has in our province here.

Now the problem deals with a couple of other things that I want to mention, and that is the hurt imposed on the people of Saskatchewan who are grain producers. And the hurt is felt in many, many areas. What it does really, Mr. Speaker, it gives every one of the problems that we have in agriculture today an emphasis. And we have to deal with them in specific ways. You have the impact it is on the cash flow in Saskatchewan today. It's negative.

What does it do to the opportunity for people to recognize that Canada is a consistent deliverer of a quality product? What does it do to us as it relates to that? It says that they can't rely on us to provide for that kind of opportunity to deliver the grain. That's what it says. And that, Mr. Speaker, is reputation. What kind of reputation do we have when we consistently, as the member from Kelvington-Wadena said, have a strike in one sector last year; we have a strike in another sector this year. What are they going to strike on us next year?

That, Mr. Speaker, is consistency of supply. It's absolutely necessary for that grain to move into the market. That's what customers want. We have the highest quality; we produce well; we have 20 per cent of the market. Do we want to lose that for our producers in Saskatchewan? No, we don't. And therefore, Mr. Speaker, I believe it is imperative on the people of this Assembly and of the people in Ottawa to move on this as quickly as possible.

The thing that I think is also necessary to do, and why it is important that we discuss this in a reasonable way, is that the federal government has to be made aware of the problem it is creating for us. And, Mr. Speaker, our Premier has done this on a number of occasions, as has the Minister of Transportation and Highways. And that is extremely important, and I want to deal with that to some extent, too.

The Premier has emphasized agriculture in many, many ways. And I believe that because of who he is and what he is and what he does, the kinds of things that he talks to the Deputy Premier who was in Saskatchewan recently, the Minister of Indian and native concerns — these are high-ranking cabinet officials. In discussions with them, the Premier presented these ideas to them. They have to deal with them, and we have to place that emphasis upon them.

I want to just point out another thing, Mr. Speaker, that is very, very important. The Premier is meeting this week with all of the premiers in Canada. It is extremely important that this message be related to those other premiers who are impacted just as negatively as we are. For example, the negative impact in the province of Alberta in relation to their grain production; the negative aspect it is to the Premier of British Columbia in moving those commodities off of his ports. We don't want to have a negative reputation about the kind of port facilities that we have in western Canada. We don't, and neither do they. But we will have a negative impact on our customers if we don't deliver those commodities on time.

and when we've said we would.

(1615)

And we pay — that's the way it's always worked; it's the producer who pays — we pay for those boats to sit there. We pay for them to . . . in the delay in loading. And all of them, Mr. Speaker, are negative to the grain production, to the kind of payments we already have had slashed because of high world production. And that is a serious problem.

Those aspects, Mr. Speaker, are some of the reasons why I will be supporting this motion as amended. And they're very, very important.

I want to deal with a couple of other things. And one was raised by the member from Moose Jaw, and I can sympathize with some of the things that he said. However, I want to deal with one of those issues. I can recall, Mr. Speaker, as a young boy, standing and watching the people thresh on the threshing machine. And there were about four or five people standing around that threshing machine. They were busy. Their work was important, because they were with a squirt can putting oil on every one of those bearings.

But today, Mr. Speaker, it isn't that way. One guy, one person — whether it's male or female, it doesn't matter — they can go and sit down in a combine. They have almost every turning . . . a bearing with a monitor on it. They know when one quits; they know when it stops. They know when they're pushing too much grain over. These are technological things that we have put into place in our farms in Saskatchewan.

We have a delivery system second to none in the world. We have the capacity, if we want to change with technology to deliver even more grain than we have, in almost record volumes this year, which is a credit to those railroad workers. However, we have to begin to look at rationalizing ourselves in relation to the kinds of grain we can deliver, and that is through technology in the delivery of grain.

And that's why, Mr. Speaker, I think it's important that we vote for this motion — the motion as amended, and I will be supporting it completely. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Thank you very much, Mr. Speaker. I am anxious to say a few words in this emergency debate this afternoon under rule 39. By the terms of the motion that is now before us, Mr. Speaker, we are concerned with the work stoppage in Canada's rail system, the first such major disruption in about 14 years. As negotiations between the railways and their employees began to falter last week, some unauthorized work actions began to take place, mostly in eastern Canada. And as the bargaining, Mr. Speaker, ground to a full halt over this past weekend, the problem grew into a full-scale, nation-wide strike. And as of today, nothing is moving by rail anywhere.

That, Mr. Speaker, is obviously a big problem everywhere

in Canada, but I submit to you that it's a special and severe problem for us here in Saskatchewan. As in so many other instances in this country, our geography and other factors work against us, and we're caught in a very serious disadvantage.

Among other things, Mr. Speaker, two of our prime bulk commodities, grain and potash, move almost exclusively by rail. Without fully functioning and expeditious rail service, our grain and our potash are in big trouble. And that trouble comes, Mr. Speaker, not when grain and potash are otherwise buoyant, but when both are under very extreme pressure.

Every informed commentator, particularly from the farm sector, Mr. Speaker, that I have heard speak on this problem in the last few hours, including the Saskatchewan Wheat Pool, the Western Canada Wheat Growers Association, and others, have indicated that a disruption of only a few hours, or at most a few days, might be tolerable. But beyond that I think there is common agreement across Saskatchewan, the damage that would be inflicted would be irreparable.

Accordingly, Mr. Speaker, I raised the subject-matter which is before us in this motion and the amendment this afternoon, I raised that same subject-matter in this House last week, and that is recorded at page 1928 in *Hansard*.

In my question at that time, Mr. Speaker, I tried to put, as carefully as I could, both sides of this delicate matter. I emphasized the importance of the bargaining process and the need to give it every opportunity to succeed, every encouragement to succeed, every assistance to succeed. I also acknowledged though, Mr. Speaker, last week, the possibility that the bargaining might not succeed, and that legislated action might be required.

And today, Mr. Speaker, under rule 39, I had a draft motion in hand to bring this matter back before the House for special attention this afternoon, with the motion presented by the Leader of the Opposition, and with the subsequent amendment moved by the Minister of Highways, my motion will not now be necessary, but it was ready to go.

The exact language, Mr. Speaker, that is used in the main motion and then in the subsequent amendment would not be exactly my first choice for the wording that we should use today. But in the general sense and in the general direction, I believe the motion, together with the amendment, are basically on the right track.

First — and this is very important, Mr. Speaker — give the negotiations their final best chance, with every possible encouragement and assistance, their final best chance to succeed. But secondly, within a specific and rather tight time frame, if the bargaining proves fruitless, then move promptly with legislation, and get the grain and the potash and the other commodities moving again.

And, Mr. Speaker, I want to make one specific point. When I call for legislation, if necessary, to resolve this argument between the railway companies and their employees, I do not want to be taken as necessarily being on the railway's side of the dispute. Often in the debate

that flows back and forth in this kind of a dispute, or any other kind of industrial dispute where legislation is contemplated, Mr. Speaker, there seems to be the underlying presumption that if there is to be legislation, then it must be by definition anti-worker legislation. And, Mr. Speaker, I submit to you that that need not be the case. Legislation may indeed be needed in the next two or three days to end the work stoppage and to get the goods moving again. But the specific legislation that is chosen to do that job must be fair. It must be even handed and it must be respectful of the railway employees and it need not be anti-worker legislation.

I think for example, Mr. Speaker, of the first occasion when I entered an elected Assembly in this country. It was in 1974 when I became a member of parliament for the Assiniboia constituency. And the very first piece of legislation that had to be dealt with by that new parliament in 1974 was a piece of legislation to bring to an end another work stoppage that was affecting farmers and the grains industry.

It had to do with grain handlers, if I remember correctly, on the west coast. And in that particular dispute, Mr. Speaker, there was a conciliator's report that had been written. The union had accepted that report, management had not, and parliament was faced with the dilemma of what to do. And in those circumstances, in 1974, parliament chose to legislate not the position of management but, in fact, the conciliator's report which was the position of the employees. And with that report legislated, it turned out to be a pro-worker settlement. And as it turns out after the fact, Mr. Speaker, there was no major disruption in that particular aspect of our grain handling system for many, many years.

And accordingly, I cite that example simply not to use it as any precise precedent to deal with this particular problem that we're faced with this afternoon, but to make the point that those who seem to presume that legislation is necessarily going to be anti-worker or anti-employee should not necessarily make that presumption because there are other alternatives. And if the legislation is carefully and thoughtfully drafted, if it turns out to be necessary then, Mr. Speaker, I think we can have a Bill that would deal with this situation in a fair way. And I would certainly say to the Government of Canada, if it comes to that — if it comes to legislation two or three days down the road; if it comes to that — then the Government of Canada should be well-advised to think of the safety issue, to think of the technology issue, to think of the railway promises that have been broken — broken not only to their employees, but broken to farmers and others in western Canada. Think of all of those factors as you go about drafting the right kind of Bill to deal with the job. You must be fair. You must be even handed. You must be reasonable. And the Government of Canada should not leave itself open to accusations, justified or otherwise, of it being anti-worker in its orientation as it moves about to settle this particular dispute.

Mr. Speaker, I'm sure all of us hope that it doesn't come to that. I'm sure all of us hope that with every encouragement and every possible form of assistance brought to bear on the situation, that a solution can be found short of legislation, where in fact the bargaining

process can yield the right result. That, I'm sure, is what we would all hope to see happen.

Mr. Speaker, if in fact that is not possible, if in fact with the best of intentions and the best of efforts there is not a negotiated settlement, then I ask members to think ahead 72 hours, two or three days down the road. If there is no settlement by then by negotiation, Mr. Speaker, then I think the problem that we'll have on our hands is a problem, from the point of view of the farmer or the potash producer or the bulk shippers in Saskatchewan, the problem that we will have on our hands then is going to be near a crisis.

The burden will fall very heavily on some within our country, Mr. Speaker. I submit it will fall inordinately heavily upon farmers in Saskatchewan. The Government of Canada, in that eventuality of failure in the negotiations, the Government of Canada must be prepared to legislate. And in speaking in support of both the motion and the amendment, Mr. Speaker, I think we in this legislature have to be prepared to say so. Thank you very much.

Mr. Swenson: — Thank you, Mr. Speaker. I wish to enter into the debate today because of the seriousness which we in Saskatchewan and we, as agricultural producers, find ourselves in. We find ourselves caught in the middle of a dispute between the railway workers of Canada and the two major railroads.

And I have listened with great interest to the debate today, Mr. Speaker, as members from both sides have laid out their points of concern. I've seen the members from the opposition benches stating that for the employees it is necessary to address the question of job security. I've heard members on this side of the House talk about the seriousness of the resource industries and the grain sector for the Saskatchewan economy.

(1630)

I think that it's imperative that we recognize that the federal government has addressed the collective bargaining procedure to the best of their ability. Since the threat of strike has been hanging over the heads of the people of Saskatchewan, that collective bargaining procedure has moved ahead to the best of its ability. It has obviously not been working. The federal government has sought to put in place both a mediator and an arbitrator to try and facilitate the process. I hope that that process is successful.

And as the member from Elphinstone made in his opening remarks, if the constitutional process in Canada can be done overnight, then surely the railroads and their employees, with the seriousness of the situation facing Canada, will be willing to go into Ottawa and work with a federal mediator and resolve this process in short order. If, however, they are reluctant to use this process to settle this dispute, then for the good of Canada, and particularly for the good of Saskatchewan, it is incumbent upon legislators in this country, both at the federal and provincial level, to move this process forward and get the railcars moving again.

I have heard members opposite talk about the nationalization of the CPR. And I want to make it very clear that the CPR doesn't have a lot of friends on this side of the House. Those of us who farm for a living know the history of the CPR and some of the shenanigans which that particular company has pulled in regard to the western Canadian farmer and western Canadians in general. And I certainly wouldn't have wanted to belong to a party which would have appointed the former president of the CPR, Mr. Sinclair, to the Senate. And I don't think that anyone in these benches would condone that type of action. So I think I've made it very clear, Mr. Speaker, that the sin is obviously on both sides.

And I think that both the union and companies involved should have been thinking down the road to the employment opportunities which will have to be provided to some of the employees as technology and rationalization takes place in the transportation sector in this country. And it is not suitable for either the employer — who, in this case, half of it is the federal government — or a large, strong union of 50,000 strong like the amalgamated rail unions are, to not be addressing this question prior to strike action.

It is incumbent upon all parties, when faced with technological advance, to start thinking and talking about these things well in advance of any possible strike action. And I think it's incumbent upon those two bodies to start addressing these questions before they cannot talk to each other over a bargaining table.

It's very sad, Mr. Speaker, that history must always repeat itself in western Canada. The last time we went through this exercise in '72-73, we were just coming out of a four-year slump in grain markets. Those were the days of \$1.28 wheat and a four-bushel quota. And you, Mr. Speaker, being an agriculturalist, know that the pressures put upon rural Saskatchewan during that time-frame from 1969 to 1973, and how we were scraping and clawing our way out of that particular recession, and then we had a rail strike. And it went on for some 10 days, I believe, before legislation was used to solve that particular situation.

So it is sad that the railroads, that the Government of Canada, and the unions cannot learn from past experience and resolve these issues before it comes down to strike action, especially when the western Canadian grain producer is down and out and needing every available dollar that he can get his hands on.

I am told that Saskatchewan's contribution to the national grain sales works out to about 300,000 tonnes per week. That means \$40 million in delayed revenue into the hands of producers in this province — a delayed revenue, Mr. Speaker, that isn't making bank payments, that isn't paying fuel dealers, is not paying equipment dealers, is not putting repairs on those combines which are now in the middle of harvest time.

A 40 million delay per week is totally unacceptable to the grain sector in this province. And if we add on the potash sectors, the timber sectors, and the other commodity sectors, it is simply unacceptable to the province of Saskatchewan to bear those losses on an ongoing basis.

I understand that the negotiations, the settlements that have been proposed are in the 2 to 4 per cent range. And I suppose, Mr. Speaker, that in the realm of labour relations in Canada today, that is not totally unacceptable. But when you compare it to a 40 per cent cut in real income for a large sector of the Saskatchewan economy in the last two years, it makes it very difficult for rural Saskatchewan to look upon any wage increase. When it is brought together with a national strike causing such great hurt, I don't think then a wage increase is acceptable.

If this thing can be done through the arbitration process, Mr. Speaker, then perhaps people out in rural Saskatchewan will live with it. But they certainly aren't prepared to suffer enormous hurt and then grant a wage increase to the employees.

My colleague from Morse talked a great deal about the market-place out there today, and I think he outlined to all members of the House the precarious position that Canadian producers are in. We have been able to attain market share by good marketing, good transportation, and reliability of delivery to our customers, a reputation which has been built over the last 25 years.

There are competitors out there who will certainly take advantage of the situation if those ships are not filled on time, do not reach their destinations on time, and fulfil our obligations. We know that other countries and other associations, like the EEC (European Economic Community), are prepared to step in, take our markets away, and we cannot afford that, Mr. Speaker. It is incumbent, now of all times, to meet those commitments and keep our customers in the years to come.

I say to the members of the railway unions: I know that the pressure is on for rationalization. But I say to them that they must clean up their own act too.

And I think back, being a Moose Jaw boy, to a cabinet minister who sat in this House for 11 years when the former party were in power, and that person maintained his bumping rights over younger people in the city of Moose Jaw the whole time he sat in this House drawing down a very good salary. And there were young men back there who were raising families, trying to educate their children, and the very fact that a man could sit in this House for 11 years as a cabinet minister and walk back in there and tell a younger man to sit down because I'm taking that trip, to me seems to be totally unacceptable. If people are going to maintain an archaic system such as that in this day and age, then I don't think it is acceptable to the people of Saskatchewan.

Mr. Speaker, it is incumbent upon both sides to get down to business. Mr. Kelly has a reputation Canada-wide for solving labour disputes. I think he is a fair gentleman. And as the member from Assiniboia-Gravelbourg pointed out, legislation is not always detrimental to the worker in these situations. And I'm sure if, through the mediation and arbitration process, that it comes out and is well spelled out, that in this particular situation the grievances are honest and well put forward, then, Mr. Speaker, I would not hesitate to back legislation that brought that fact forward.

But I think in the interests of Saskatchewan and, indeed, Canada, we cannot afford to have this situation prolonged any great duration, and that is why the amendment to the motion, I feel, is both fair and honest in assessing the situation which is before us. It gives a limited amount of time for some very hard-nosed bargaining. It gives a limited amount of time for the people involved in this process to realize how utterly serious the situation is.

And as the member from Elphinstone pointed out, it seems when there is a will in this country to solve a question, it can be done overnight with some hard bargaining. Well, the will must be there from both sides, and it must be done, and if it is not, then, Mr. Speaker, legislation is essential for the good of all in this country, and I'll be happy to support the amendment.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Thank you very much, Mr. Speaker. I'm pleased, Mr. Speaker, to enter into this debate and I begin, Mr. Speaker, by making it very clear that I enter into this debate supporting the main motion and opposing the amendment put forth by the members opposite.

The motion that I support, Mr. Speaker, and as a reminder to all:

That this Assembly regrets that the nation-wide industrial dispute between the railways and their employees has disrupted the rail transportation system which is critically important to Saskatchewan's economy, and especially to Saskatchewan's agricultural economy; and further, that this Assembly hereby urges the Prime Minister of Canada to use his good offices to achieve an immediate resolution of this dispute.

Mr. Speaker, I suppose there won't be a lot of occasions, but I wish to begin by agreeing with a point made or raised by the member from Morse, who said that he saw the issue facing the nation today being one of reliability of Canada's national rail transportation system.

And I think that is the point, Mr. Speaker. That is the issue that is facing Canadian people today, be they taxpayers, be they people who are shipping goods, be they agricultural, or be they railway workers, Mr. Speaker. That is an issue that is confronting us here today, not only reliability of the national rail transportation system in August of 1987, but very possibly for years into the future.

And it seems to me, Mr. Speaker, that the most reliable national rail transportation system is one, as a matter of fact, in which management and labour are working together — working together with common objectives, Mr. Speaker, that are in everyone's best interest, not only each of them from their prospective — their own objectives — but in the best interests of all of us, all Canadians who rely on a national rail transportation system.

Mr. Speaker, this morning before coming over to the Legislative Assembly I stopped to speak with some of the

525 CP Rail employees in Moose Jaw who were out on the picket lines today. And they told me, Mr. Speaker . . . (inaudible interjection) . . . I would appreciate it if the member from Kelvington-Wadena would cut his wisecrack remarks and listen to some serious comments for a change, and maybe he'll learn something.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Because those workers, Mr. Speaker, those workers told me they wanted to go back to work. They want to go back to work moving Saskatchewan grain to the ports in Canada. That more than anything else, Mr. Speaker, is what those railway workers were telling me they want to be doing.

And I say, Mr. Speaker, that I join with them. I join with those railway workers in Moose Jaw and, I believe, across this province and across this nation who want to go back to work to move Saskatchewan grain to Canadian ports.

(1645)

So what are the issues? What are the issues, Mr. Speaker . . . (inaudible interjections) . . . The member from Regina South — he's an expert on these issues, obviously. He has comments from his seat; perhaps he'll share some of his wisdom from his feet. He asks, Mr. Speaker, why don't they? And there are basically two issues that have led to this dispute and that lead us to the point that we find ourselves in today, Mr. Speaker.

One of those issues is not wages. I understand that that's not really a critical issue keeping the management and employees apart in this negotiations, but basically there are two issues that divide them. One is the issue of contracting out, and the other is the issue of job security, where people who have dedicated their careers to an employer, ensuring that as a result of their efforts that we have a reliable transportation system, are being threatened, Mr. Speaker, with a loss of their jobs.

And I understand, as well, that the associated railway union, by all reports and by all comments I have heard, are more than willing to be realistic. Most important of all, Mr. Speaker, they're willing to talk and they're willing to arrive at negotiated solutions. And that has to be the objective. That has to be the objective. Anyone, anyone understands insecurity and the threat of loss of employment, the threat of the loss of opportunity to provide for families and people, Mr. Speaker, who are affected as employees in this dispute, are not living with fictitious threats being made. I refer, Mr. Speaker, to a Canadian Press story dated August 27, 1986, Mr. Speaker, in which it says, and I quote:

Canadian National plans to eliminate 14,000 positions by 1990, reducing its work-force by almost a quarter.

By almost a quarter, Mr. Speaker. And it goes on to say, quoting CN spokesman, Don Law:

We certainly won't be able to achieve this goal through early retirement alone.

And then he continues:

People will be bumped, and others may lose employment.

That, Mr. Speaker, strikes me as being a fairly straightforward statement which would be a statement of concern, I think, to anyone who is employed by a rail company. And can you blame them? Can any of us blame them for wanting to have some degree of security in providing for their families? Well these are tough times, Mr. Speaker, we all agree. These are tough times for farmers — farmers who with this particular situation that's before us need reliable rail transportation system.

These are tough times for railway workers, Mr. Speaker — railway workers who also need the railways to be running to provide for their families and to participate in their communities. These are tough times, Mr. Speaker, for all Canadians, in many ways, and Canadians who rely on a national transportation system to move goods across the country.

But you know, Mr. Speaker, these are not tough times for railways — they're not tough times for railways. Let me refer you, Mr. Speaker, to some quarterly reports from CN Rail and CP Rail. I see the railway expert from Weyburn is speaking from his seat. I'm sure he too will want to entertain us with his insightful view of the world, and I await that speech with deep anticipation.

Mr. Speaker, let me refer to the facts, Mr. Speaker, that Canadian National Rail, in the first quarter of this year of 1987, had . . . is it in tough times, Mr. Speaker? Well I don't know. Is a profit of \$17.7 million in the first quarter, is that tough times? I think there are a lot of people in this nation who would enjoy having tough times where you make \$17 million in the first quarter.

Well how are Canadian Pacific railroad — the good friends of the members opposite, and we'll get to that later — how are Canadian Pacific railroad doing after having wrapped up 1986 with a \$119 million in profit — how's Canadian Pacific Rail doing now, Mr. Speaker?

Well in the first quarter they made a profit of \$24.471 million, as compared to nearly 19 million last year in the first quarter. In the second quarter, Mr. Speaker, they're still . . . these are tough times, they're going . . . this is negative tough times, because in the second quarter, Mr. Speaker, CP Rail declared a profit of \$61.549 million.

An Hon. Member: — That's tragic.

Mr. Hagel: — Not only is that tragic for Canadian people, Mr. Speaker, it's also double what they made in the second quarter last year. So tough times for farmers, tough times for railway workers, tough times for Canadians, but not tough times for the railways, Mr. Speaker, and most of all, not tough times for CP Rail.

Well we come to the amendment, Mr. Speaker, the amendment which says that . . . will show the flag for 72 hours, I believe is what it says, and then after we show them the flag, and all gone through a little song and dance routine, we're going to bring in legislation. The PC

solution — bring in legislation.

And I ask: whose agenda would bringing in legislation fit? Whose agenda would lit fit, Mr. Speaker? Would it fit the agenda of farmers who need a reliable rail transportation system in which management and employees are working together? I suggest not. Would it fit the agenda of the railway workers who are looking for job security more than anything else, Mr. Speaker? I suggest not. Would it fit the agenda of CP Rail? Mr. Speaker, very clearly I say, yes. And why do I say that? I say that, Mr. Speaker, because there's an old saying. The old saying is he who pays piper calls the tune.

And so what do we notice, Mr. Speaker? I find it interesting — the member from Thunder Creek says CPR doesn't have friends on this side of the House. Well that's either an oversight on his part or an attempt to be humorous, Mr. Speaker, because let me refer you to the 1986 federal contributions by the Canadian Pacific companies to the federal Progressive Conservative Party — the Progressive Conservative Party of Canada, which is the government of the day, which would put forth the legislation, Mr. Speaker.

And what do we find in 1986? Canadian Pacific Airlines Ltd. contributed to the federal PC Party \$9,048; Canadian Pacific Airlines Ltd. contributed \$954.50; Canadian Pacific Express contributed \$607.30; Marathon Realty Company Ltd. contributed \$1,514.70; and Pan-Canadian Petroleum Ltd. contributed \$5,000.

But what about the big one, Mr. Speaker? What about the big one? What about Canadian Pacific Ltd. which is a holding company for all CP companies, including CP Rail? How much did the Canadian Pacific Ltd. . . And the member from Meadow Lake, you'll take great interest in this. I don't know if you've got your share from the trough here yet, but we'll look forward to your words of wisdom later on as well.

How much did Canadian Pacific Ltd. contribute to the federal PC Party of Canada in 1986? \$56,375, Mr. Speaker. From the Canadian Pacific companies, in Canada, last year to the federal Progressive Conservative Party of Canada, donations of \$73,499.50. Now, Mr. Speaker, he who pays the piper calls the tune. And if you believe, I say to all members of this House, if you believe that legislation would be in the best interest of anybody but Canadian Pacific Rail, then you believe in the tooth fairy.

I call, Mr. Speaker, on this motion that is put forth by the member from Regina Elphinstone, for the Prime Minister to use his good office, to use his good office in the interest of all Canadians, not in the interests of Canadian Pacific Rail, but in the interest of all Canadians, Mr. Speaker.

We saw, some months ago, the Prime Minister of this nation engage the first ministers of the provinces of our country in a style of negotiation similar to labour negotiations, where he gathered them together in a room and they sat together all night and they hammered out an agreement that they could all live with.

Now many have questioned the wisdom of that style of

negotiations in arriving at that kind of an agreement, Mr. Speaker. But I say this: if the Prime Minister, in the purported best interests of the nation, will bring together the first ministers of the provinces of Canada, and involve them in round-the-clock negotiations until they hammer out an agreement that they can all live with, why then, Mr. Speaker, can the Prime Minister of Canada not offer that same kind of service to the people of Canada bringing together management and the employee representatives of the railways in this country to sit around the clock and hammer out an agreement that they can all live with?

Because we know, we know, Mr. Speaker, that when management and labour hammer out an agreement with which they can all live, that that is the kind of agreement that provides the best security to the rail transportation system of Canada, to its people, to our farmers here in Saskatchewan who want to get their grain to port. And I say to you, Mr. Speaker, it is for those reasons that I stand here today opposed to the amendment calling for a legislative conclusion, and in support of the motion, which urges the Prime Minister of Canada to use his good office to achieve an immediate resolution of this dispute, a resolution for the good of all Canadian people, including the people of Saskatchewan. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Thank you, Mr. Speaker. I, too, would like to join in the debate on this motion and the amendment. I think I, like all other farmers across Saskatchewan, and for that matter I suppose, many potash workers and those who've worked in the forest industry — virtually any of those industries, of which Saskatchewan has many, where our goods are shipped to our customers by rail — have been concerned over the past several days and weeks when listening to their radios or televisions or reading the newspapers, there was constantly stories on a possible rail strike.

And I have no doubt that it's been weighing on, certainly, the farmers' minds now for some several weeks as these press reports continue to abound. And now our worst fears have been realized and, in fact, we do have a national rail strike, Mr. Speaker. And I say that it . . . Our farmers have been . . . this has been weighing on their minds for some several days and weeks now, and I'm sure brought back remembrances of last summer when we had a grain handlers' strike, which once again put our farm economy in jeopardy and was a serious situation, albeit that places like Weyburn, I might add, Mr. Speaker, were able through the Weyburn Inland Terminal to accommodate our export shipments by sending out unit trains, and doing cleaning there to export standards. So to some degree some of the hurt there was averted.

But because this has been weighing on farmers' minds for some several weeks, Mr. Speaker, and because our Premier has an excellent sense of what makes this province tick, he, in early days of August, wrote to the Hon. Pierre Cadieux, Minister of Labour. And just to quote a couple of paragraphs from this letter of the Premier's to Mr. Cadieux, Mr. Speaker, it starts off by saying:

I send this letter to respectfully request that you use the powers of your office to ensure a successful completion of the current negotiations between railway management and labour.

And he ends up by again saying, and I quote:

Again, I would implore you to take whatever action is necessary to avoid a rail strike.

So you can see, Mr. Speaker, our Premier, sensing the economic devastation that could be wrought upon our farmers if a national rail strike were to happen, had already made an intervention to the federal government in early August of this year.

As well, because of the seriousness . . . When the Premier met with the Hon. Bill McKnight, the minister in charge of western diversification, a very important initiative for the federal government, indeed, all of western Canada, this issue was raised, as it was with the member for . . . member of parliament and the Deputy Prime Minister, Don Mazankowski, when they visited with our Premier just a few short days ago.

As well, given that the situation worsened this morning, our Minister of Highways and Transportation wrote Mr. Crosbie. And the opening line in his telex . . . rather, it was a telex, Mr. Speaker, the opening line in his telex said it all, and I quote:

I am requesting that you take whatever action is necessary to end the current railway strike.

And in that one short sentence I think our minister said it all.

With that, Mr. Speaker, we were happy to see today the Minister of Labour, federally, Mr. Crosbie, announce that he's asked for both parties to come back to the bargaining table to have one more go at negotiations with the view to solving this strike and this dispute that can wreak hardship on all of our resources.

Mr. Speaker: — Order, please. It being 5 o'clock, this House now stands recessed until 7 o'clock.

The Assembly recessed until 7 p.m.