

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Private Members' Bills

Clerk: — Mr. Thompson, as chairman of the Standing Committee on Private Members' Bills, presents the third report of the said committee which is as follows:

Your Committee has duly examined the undermentioned Petitions for Private Bills and finds that the provisions of Rules 59, 60 and 61 have been fully complied with.

Of Aldersgate College of the City of Moose Jaw in the Province of Saskatchewan praying for an Act to amend its Act of Incorporation.

Of the Bethany Bible Institute of the Town of Hepburn in the Province of Saskatchewan praying for an Act to incorporate Bethany Bible Institute and to amend an Act to incorporate Mennonite Brethren Church of Saskatchewan.

Mr. Thompson: — Thank you, Mr. Speaker. I move, seconded by the hon. member from Rosthern:

That the Third Report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: — Mr. Speaker, it's my pleasure to introduce to members of the Assembly and to you, Mr. Speaker, a group of seven cancer patients who are here with us today from the cancer patient lodge here in Regina. These individuals are from around the province and in Regina taking treatment at the cancer clinic here in Regina.

I'm sure all members will want to join with me in welcoming them here today and wishing them the best in recovery in their treatment.

Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I rise today to introduce to you, and the hon. colleagues assembled here, a group of Saskatchewan small-business operators in your gallery, Mr. Speaker. They are Joe and Emily Varjassy, Fran deKock, Jim Wood, and Norm Calhoun, Mr. Speaker. And these individuals are also concerned taxpayers and I think they'll be listening with a great deal of interest this afternoon. Thank you. I'd ask all members to welcome them.

Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I have two introductions today. First of all, I'd like to introduce three gentlemen sitting in your gallery, Mr. Speaker: Mr. Harold Lutzer, a farmer from Weyburn; Mr. David Davis, working at Prosper Tractor in Estevan; and Dale Hassett from Leader; and also Vonda Kosloski.

They're individuals from Saskatchewan who are here concerned about politics in Saskatchewan — very interested. We want to welcome them to the Assembly and trust that they enjoy the proceedings today.

Hon. Members: Hear, hear!

Mr. Toth: — And, Mr. Speaker, further I would like to just diverge from the tradition of this House for a moment to introduce another individual who isn't seated in the gallery due to health reasons, but an individual who has called our caucus and informed us that she's been really following question period. I'd like to introduce a Mrs. Mavor Kidd, a senior citizen who lives in Pioneer Village nursing home in Regina, and welcome her to the proceedings as she observes them taking place today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Contract for Pest Spraying

Mr. Neudorf: — Thank you very much, Mr. Speaker. In the past few months the members opposite have cranked up their propaganda machine in a frail attempt to show the public how they have saved a few pennies on a few items. A penny saved is a penny earned, they claim. Mr. Speaker, I bring to this Assembly today just one example of taxpayers' money which is being wasted by the NDP (New Democratic Party) government, carelessly sprayed into the wind.

Mr. Speaker, the Minister of Environment and Resource Management awarded a contract for the spraying of spruce budworms in northern Saskatchewan, not to the lowest bidder, not to the second-lowest bidder, not to the third-lowest bidder. Mr. Speaker, the minister awarded the contract to the highest of four bidders at a cost of \$150,000 extra to the Saskatchewan taxpayer.

My question is to the minister responsible for this new system of tendering. Mr. Minister, here are 15 million pennies that should, could, have been earned, 15 million pennies that could have been saved by your government. Can you give this House the background on this tender and tell the taxpayers of this province how it makes sense to spend \$150,000 more than the low bid for this work?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, I want to . . . I thank the hon. member for that question and want to respond through you to the people of Saskatchewan by saying that normal tender procedures were followed in this case, that in each case the additional costs that are required for infrastructure and ancillary costs for applying of the spray were added to the . . . were determined by an independent firm and added to the costs of the tenders. At the end of the day, the contract was offered to the contractor for whom the . . . the qualified contractor for whom the total costs were the lowest.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — To the same minister, Mr. Speaker. Then I assume, Mr. Minister, that you are willing to come forward with these so-called ancillary costs that were added on to this contract, but not to the original ones, to the original bidders. And you are saying that this is a qualified — you said, qualified operator. That other means the other four . . . the other three were not qualified. Am I reading you right on that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — No. Mr. Speaker, I want to say that one of the bidders was . . . the bid was determined to be incomplete and therefore not qualified in the competition.

I am in fact prepared to table in the House and offer copy to the members opposite, of the ancillary costs that were determined by Torchinsky Engineering — and most of which would be determined by them — and the total costs for each of the contractors is in this summary here.

And I ask someone to distribute those to the members opposite.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, I would ask the minister, since he has made a determination to . . . for the edification of the House this afternoon, please identify the cost that was worth \$150,000 more. Please be specific for the House.

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Yes. Without getting into the detail which the members can read from the document later on, the additional costs that had to be assessed for each of the contractors included the air strip, staging, navigators, security, monitoring, and supervision.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — That is ludicrous, that kind of an answer. Ancillary costs. There is no air strip. There is no air strip. They're using the roadway. They're using a roadway that's already in existence. These gentlemen up here in the gallery were going to be using smaller planes and more of them. You're talking

about a 502. That's perhaps why you need . . . larger air strip or a longer air strip. So don't give us that nonsense, Mr. Minister.

Mr. Speaker, it is our understanding that the individual who was awarded the contract does not even have the equipment to perform the work, and in fact he's going to have to lease three airplanes from the United States.

Now, Mr. Minister, I ask you how on earth does it make sense to pay \$150,000 for the work and then award the contract to someone who doesn't even have the equipment? What do you say to the other bidders, Mr. Minister, like our guests in the gallery who will watch the work go on using foreign equipment while their equipment and their workers sit idle?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, the member opposite and others would be aware that in the aircraft aerial-spraying business, the contractors are quite mobile, and I'm sure the contractors to which the member opposite is referring operate outside of this province on a relatively frequent basis. And others come in to engage in contracts here.

The question of the length of the air strip, I don't want to get into the technical detail, but I'm given to understand that the . . . I'm given to understand that the length of the runway is not longer; in fact, it's shorter for the successful bidder; that the department established a standard that they felt all contractors should be compared to in making the assessment of costs in the issuing of this contract.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — You're talking about a shorter runway, Mr. Speaker, when there is not even a shorter runway. And a 502 only stops 150 feet less than any of the equipment that we use, so that's again nonsense, Mr. Minister. Absolute nonsense.

Mr. Speaker, we've also been told that the time between the advertising of the tender and the closing date was very compressed and that in fact tender packages were not even available until five days after the ad appeared, thus making it close to impossible for bidders to do the appropriate homework for their bids. Further, we are told that some bidders knew about the upcoming tenders ahead of the time, thereby giving them an unfair advantage.

Mr. Minister, given the many irregularities in this particular tender, do you not feel it would be appropriate to cancel the award and to retender this work under some reasonable time lines and with a view to employing open and fair tendering procedures?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — The tender for this project was first advertised on January 23 and the tenders were

opened on February 9. The procedures of tendering were fair and were complete. And if there are considerations that should be taken into consideration in the future, I'd be happy for the members opposite to advise us of those in the future. But the conclusion of the department in reviewing the procedures here is that they were complete and that the tender was in the end offered to the lowest qualified bidder when all costs were considered.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Minister, from this rubbish that you just handed me, it's going to be very, very difficult for you to persuade the Saskatchewan taxpayer that indeed they got the best bang for the buck. There's something else afoot here, Mr. Minister, something else is afoot.

This iceberg budget, Mr. Speaker, of the NDP government was made about choices, all the wrong choices again. And we see that NDP cabinet minister . . . (inaudible) . . . compassion in regard to their medical afflictions while the average Saskatchewan person has to pay their own way. And that's not fair and that's not right, Mr. Speaker.

And now we uncover a choice that costs \$150,000 more for the Saskatchewan taxpayer. And what we get is more political rhetoric. Mr. Minister, a hundred . . .

The Speaker: — Order, order. Order. I would ask the members not to interrupt while the member is asking his question.

Mr. Neudorf: — Thank you very much, Mr. Speaker. Mr. Minister, my question: \$150,000 would go a long way to help seniors on fixed income. That kind of money would help as many as 63 Saskatchewan seniors in their nursing homes for a year.

Mr. Minister, given this information and your government's perceived interest in saving pennies, will you do the right thing? Will you retender this contract?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, I had hoped that in tabling the information for the member opposite that he would be able to add up the numbers and conclude that in fact the . . . this was the cheapest cost for the people of the province.

It may well have been the common habit of the members opposite to issue contracts by overriding the advice of those officials in the department who made good assessments of projects, who totaled costs, and who then came up with recommendations. And I know that a significant number of major liabilities to the province of Saskatchewan have occurred as a result of members opposite and their colleagues in the former government absolutely ignoring the advice of their officials.

I'm telling the members opposite that the officials of

our government have used solid procedures, have used common tendering practices, have added total costs. And the member opposite goes on there about nonsense. If good math and good procedure is nonsense, then that clearly defines why he's sitting there and not here.

But the fact is, Mr. Speaker, that fair procedures were used and the people of the province have been well served by having given the contract to the person who offered the lowest total cost to get the project done with the proper, full documentation.

Some Hon. Members: Hear, hear!

Saskatchewan Income Plan Benefits

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Finance and I hope she's a little more forward with the people of Saskatchewan than the Minister of Environment has just been.

Madam Minister, more painful details of your iceberg budget are beginning to show through. In fact we see more pieces starting to break off and float to the surface. Seniors are beginning to realize the extent to which you tried to deceive them in your budget. They are starting to see the betrayal and the hurt that you've inflicted on them.

Madam Minister, you announced that as a result of your budget, and I'm quoting from your budget address:

Low-income seniors, on the Saskatchewan Income Plan, will have their benefits increased by nearly 5 per cent.

Many low income seniors in our province were very pleased to hear this news, Madam Minister, except that like so many other things in your iceberg budget, it's just not true. Officials of the Department of Social Services have confirmed that the budget contained no increase in the Saskatchewan Income Plan for low income seniors.

Madam Minister, seniors feel betrayed. They depend on your support. Madam Minister, will you apologize to Saskatchewan seniors for this cruel hoax, and what steps are you taking to set the record straight on this matter?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, in response to the member's question, the increase as stated in the budget represents the annualized cost of the Saskatchewan Income Plan increases that took place on October 1, 1992. This represents a 13.4 per cent increase over last year and we're very proud of the fact that our government was able to increase the Saskatchewan Income Plan for seniors in our budget year.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker, and to the minister. Madam Minister, that's not what Saskatchewan seniors heard and Saskatchewan taxpayers heard. If that was indeed the truth, that the announcement was made in October, then why was the Minister of Finance using an October announcement to mislead people of Saskatchewan in leading them to believe that there was an additional 5 per cent coming through to them.

The other day, Madam Minister, we received a call from a Mrs. Kidd who I introduced just prior to question period, who I believe is watching today. Mrs. Kidd, like many other Saskatchewan seniors, listened to your budget speech with interest and was very pleased to hear of the 5 per cent increase.

When she subsequently found out that this announcement was nothing more than a cruel NDP hoax designed to gloss over the cold, painful details of your iceberg budget, Mrs. Kidd felt betrayed. She told us . . . and I'd like to quote from her, Mr. Speaker. This is Mrs. Kidd's quote:

The Minister of Finance said that low-income seniors are getting a 5 per cent increase. I read in the newspaper that seniors were getting a 5 per cent increase. We are not getting a 5 per cent increase. The NDP have lied. I have never seen a retraction.

The Speaker: — Order, order. Order. It doesn't make any difference whether it's a quote. The member knows that that is unacceptable. That's unparliamentary language and the member cannot use that. I would ask the member to put his question.

Mr. Toth: — Mr. Speaker, I was just quoting from Mrs. Kidd. But I would like to ask the minister: Madam Minister, will you apologize to Mrs. Kidd? Will you set the record straight by apologizing for the cruel hoax your government has played on Mrs. Kidd and all Saskatchewan seniors?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, our government was faced with an over \$15 billion deficit. That represented \$760 million per year in interest payments. Our government had to deal with the horrendous mess that was left by the previous Conservative administration. Our budget did several things to deal with a number of issues that are confronting low income people in the province. We are very proud that we were able to increase the Saskatchewan Income Plan for low income seniors by close to 5 per cent in this budget year. We're proud of that fact.

In addition, since our government came to office, we have increased home care by close to 40 per cent. In addition, we have a safety net program for prescription drugs for low income seniors and seniors living on the guaranteed income supplement. We're proud of that as well.

I think, given the tremendous circumstances we were left with, we have done well for the seniors of this province.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. And for the benefit of the House I will table this information that was sent to me by Mrs. Kidd.

Madam Minister, after deceiving Saskatchewan seniors about their income plan benefits, the next sentence of your budget talks about:

These seniors will also receive enhanced benefits under a number of other programs, including chiropractic and optometric services and the Drug Plan.

If indeed they're getting enhanced benefits, I'm not sure exactly where they're going to pay for these enhanced benefits or the services they're supposed to receive when they have to pay for optometric services, chiropractic services. In fact officials from Saskatchewan Health have told us that seniors on SIP (Saskatchewan Income Plan), like Mrs. Kidd, have had their annual deductible amount increased from 100 to \$200 — an increase, Madam Minister.

What's 5 per cent? Seniors like Mrs. Kidd will be forced to pay \$100 a year more for prescription drugs, and you say their benefits have been enhanced.

Madam Minister, once again, you owe Mrs. Kidd and thousands of other Saskatchewan seniors a retraction and an apology. Madam Minister, will you apologize for the false statements made by the Minister of Finance?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, prior to 1986 when Graham Taylor was the Conservative minister of Health, the federal Conservatives in Ottawa changed the drug patent legislation. And I want to remind the members, not one word was uttered because it was going to cost the provincial treasury of this province millions and millions of dollars in added prescription drug costs.

We have a piece of legislation that is also before the House of Commons to change the drug patent legislation once again. Our associate Health minister took a trip to Ottawa to talk about the impact that that change would have on the provincial prescription drug plan. Not one word of utterance from the members opposite.

Mr. Speaker, in this provincial budget we have ensured that low income people in this province, particularly low income senior citizens receiving the Saskatchewan Income Plan and receiving the guaranteed income supplement, will have access to prescription drugs in this province. We have ensured that we will continue chiropractic coverage and

optometric coverage for those seniors living on the Saskatchewan Income Plan, at a time when we are dealing with tremendous circumstances in this province as a result of your fiscal mismanagement.

We have done well . . .

The Speaker: — Order. Next question.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'm certain that any of the seniors watching today will just really be in a quandary as to what they are really getting from this government.

I refer back to the budget address presented by the Minister of Finance. And in this address the Minister of Finance said this budget requires a sacrifice, and most people of Saskatchewan agree with that. But there are some in our midst who cannot be asked to sacrifice more. They have nothing left to give. Our strength as a society is reflected in our willingness to protect our weakest members.

Madam Minister, seniors in Saskatchewan feel that in most cases they are the weakest among us. Would you be willing to live on \$10,000 a year or less? Or would the Minister of Finance be willing to live on \$10,000 a year or less?

Madam Minister, you've cut their services. You haven't enhanced anything for them, while you've increased funding to the Deputy Premier some \$800,000. Madam Minister, where are your priorities? How can you possibly justify your attack on seniors to Mrs. Kidd and to all other low income seniors in the province, while at the same time giving \$800,000 more to the NDP Deputy Premier?

Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. If there are any people in this province that need to apologize to Mrs. Kidd, it's the members opposite.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — In 1982 when the NDP government left office, we left \$139.2 million in the kitty. And what were we greeted with when we came into office in October of 1991? We were greeted with a \$15 billion deficit.

Now I say this to the members opposite: where were you, members, where were you, when you spent \$490,000 — lost — on Pro-Star Mills? Where were you? Where were you when you spent over \$5 million on GigaText? If anybody has anything to apologize for in this province, it's you people.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, if there's anyone who really must apologize, it's the member from Saskatoon, the minister responsible for Social Services — the member who when she was on this side of the House

promised so much to the people of Saskatchewan.

In fact, the member likes to refer to the former government and blame it all on the former government, while at the same time she cuts out the seniors' heritage fund, she increased resident income charges, she's phasing out level 1 and 2 care, she's de-insuring oxygen and insulin, she's scrapped the Saskatchewan prescription drug plan, imposed user fees on chiropractic and optometric services, and the list goes on.

Mr. Speaker, Madam Minister, how long do you think you can continue to hide this brutal attack below the surface of your iceberg budget? How can you justify the attack on seniors when you increase the Deputy Premier's budget by some \$800,000 and when you spend \$20 million on gambling machines, Madam Minister?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, in the 1992-93 budget year the people of this province will spend \$760 million on interest rates — interest on debt left by the previous administration, the Conservative Party of Saskatchewan. Now did the Tories once think about the future of this province when they were busy spending money, spending money, giving it to their buddies all over this province and all over this country? They did not think about the future.

The senior citizens in this province are concerned about their grandchildren's future; they're concerned about their own children's future. And they, not unlike the rest of the people in this province that have a proud history of sacrifice, they are prepared to sacrifice in order to get our government back on the road to fiscal recovery.

I want to remind the members of this. In this budget year, we increased the Saskatchewan Income Plan by close to 5 per cent; we increased, since coming to government, 40 per cent for home care; we have increased . . . we have made sure that seniors who are the lowest income seniors in this province will have access to a safety net program in order to secure their prescription drugs. We have not . . .

The Speaker: — Next question.

Some Hon. Members: Hear, hear!

Leak of Code of Ethics Document

Mr. Boyd: — Thank you, Mr. Speaker. I have just one quick question, a very important question however, that I'd like the Minister of Justice to respond to. Could you give this Assembly your opinion as to whether the leader of the third party, the member for Saskatoon Greystone, breached the spirit of the code of ethical conduct and statement of principles when last week she leaked to the media a draft of those documents.

Mr. Minister, I understand those documents were given to her in good faith and in confidence, a

confidence that was broken to further a political agenda — a shameful example of old-style pizza politics. Could you give this Assembly your assessment of that member's actions?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, do I detect a crack in the coalition that has been operating . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — There don't seem to be any easy questions asked these days, and this indeed is not one. I did send a copy of the code of ethics to the Leader of the Opposition and to the member from Saskatoon Greystone and asked for a meeting with them in connection with that code. And indeed I had a meeting with the Leader of the Opposition last week, and on the following day a meeting with the member from Saskatoon Greystone.

In neither of those meetings was there any discussion about the document being made public or released to the press one way or the other. I did not . . . I was not informed by the member from Saskatoon Greystone that she would be taking the action that she did. The subject just simply never came up. The only way in which I know that indeed she did release the document was by the newspaper reports of themselves. But the subject was not discussed between us.

INTRODUCTION OF BILLS

Bill No. 41 — An Act respecting the Financial Administration of the Government of Saskatchewan

Hon. Ms. MacKinnon: — Mr. Speaker, I move that a Bill to amend the Financial Administration Act be now introduced and read for the first time.

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

ORDERS OF THE DAY

PRIVATE MEMBERS' MOTIONS

Resolution No. 2 — Maintenance of the Crow Benefit

Mr. McPherson: — Thank you, Mr. Speaker. At the end of my remarks today I'll be moving a motion along the lines that:

This Assembly urge the federal government to maintain the Crow benefit method of payment and that this government further urge the federal government to cease its outrageous reduction of the Crow benefit by 10 per cent each year for the next two years, in an obvious attempt to force farmers into a corner.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Mr. Speaker, I notice that this

motion has come up a few different times and often I've tried to get the members opposite to take a stand. And actually, we've brought it up in emergency debate. We wanted to take a stand and see if they won't, for once, come out in support of the farmers instead of supporting their colleagues in Ottawa.

And often they talked the clock out. They refused to vote on it. They've used methods in the House to stop from being on record of where they stand on this issue, Mr. Speaker.

Before I get into the motion, I think I'd like to make a few comments on where this all began, Mr. Speaker, as far as the Crow benefit and the reason for its existence.

The original agreement, Mr. Speaker, for the construction of a transcontinental railway was reached with the federal government and Canadian Pacific in 1880, and brought into legislation in 1881, Mr. Speaker. Construction by the government of the railroad had commenced in 1875, five years after the formation of the CPR (Canadian Pacific Railway). The government completed the construction of two major segments of the railway at its own expense, Mr. Speaker. Fort William — that's Thunder Bay — to Winnipeg, and Kamloops to Fort Moody, and turned them over to the CPR without charge.

I think you'll notice in my comments in the next while exactly what . . . how well the railroads did do and what little cost it was to them, and what they gained from it.

They were turned over to the CPR without charge. Construction costs back then were \$37,785,000. As you can see, the government of the day was desperate to get a railroad across, but of course helped the CPR in great lengths. The government further agreed to provide the CPR with a \$25 million cash subsidy and 25 million acres of prairie land with mineral rights in exchange for completing the western segment and operating the railroad, Mr. Speaker.

About 60 per cent of the capital invested in the construction of the original line came from government sources — federal, municipal, and provincial. In other words, the taxpayers were stretched to great limits to ensure that they would build this system of moving commodities and did so at great expense to themselves in paying the CPR.

An Hon. Member: — For a good reason.

Mr. McPherson: — And it was for a very good reason, as the member from Humboldt has stated.

Total grants to the CPR for constructing the system from government sources, to December 31, 1977, came to \$106 million in cash in construction and 43,952,000 acres of land. So they were well paid of course.

The CPR up to the mid-'60s realized \$502 million from the sale of lands, but retained the mineral rights.

In its 1965-66 fiscal year, it turned over its remaining real estate holdings to its wholly owned subsidiary, Marathon Realty, on a stock exchange deal.

CP's 1991 revenues from energy sources, in real estate, hotel operations, were \$1.3 billion and \$879 million respectively. In return for these concessions and others, the CPR agreed to build and efficiently operate the railroad in perpetuity. Mr. Speaker, I think that means a great deal. As you can tell, these guys were well paid. They received a lot of land, a lot of cash, and what they were to do was operate a railroad in perpetuity and that was an agreement that . . . The members opposite talked about breaking deals with farmers; well this was a pretty important deal for the farmers. And yet now they're over there supporting more deal-breaking. Where were they in 1982? Where are they today? Absolutely.

In 1919, Mr. Speaker, the government introduced legislation to formally end the Crow's Nest Pass Agreement. As a result of Senate opposition, an amendment was passed suspending the agreement for only three years. At the end of the three years, Prime Minister Mackenzie King restored the Crow rates. In 1925 the rates were entrenched in legislation and extended to include grain hauled west to the west coast and Hudson Bay ports and to cover all rail lines, present and future.

Now I hope the member from Kindersley is listening up there because I know he often likes to chirp from his seat but I hear nothing today. And why I'm trying to raise this to his attention is if they are going to be wanting to tear down a system, they had better ensure that they know why the system was built up to begin with and what it's all about. That's why I want to read into the record how this came to be.

Construction of prairie branch lines ended in the mid-1930s. By 1935, 19,285 miles of rail line criss-crossed the Prairies in the total absence of public planning and directions. Then, as now, the operative word was competition.

The MacPherson Royal Commission of 1961 — no relations — of 1961 resulted in the passage of the National Transportation Act. The commission examined claimed railway losses in carrying grain for which for 1958 they said were \$70 million. The commission recommended the government pay \$9 million annually to the CPR and 7.3 million to the CNR (Canadian National Railway Company) to represent this share of fixed costs that would properly be borne by the grain traffic. In addition, if revenues on grain were less than variable costs, the government would make up the difference, Mr. Speaker.

The National Transportation Act of 1967 made for specific provision for the abandonment of uneconomic branch lines. Further, the Act provided for the payment of a subsidy to compensate the railways for actual losses on the branch lines deemed to be uneconomic.

For the year 1971 the railways received \$22.5 million

as a subsidy for running unprofitable branch lines. In December 1974 the government designated 12,413 miles of prairie branch line as basic network, protected from abandonment to the year 2000.

An Hon. Member: — It's a deal.

Mr. McPherson: — That's right; it was a deal. And at the time the government of the day knew that we had to protect branch lines, yet these guys over there, they're not with that. That's not on for them.

In August 1980 Liberal Transport minister Jean-Luc Pépin took steps to introduce Bill C-155 — the Western Grain Transportation Act. The coming into force of Western Grain Transportation Act on January 1, 1984, ended for all time the statutory rate protection on grain freight rates from which producers had benefited continuously since 1925, and prior to that since 1897.

Since that date the farmers' share of grain freight rates have increased from an average of \$4.85 a tonne to \$11.98 a tonne in the '92-93 crop year, or by 247 per cent in 9 years — an annual average of 27.4 per cent. And that's all done under the guise of competition.

I look back to that August 1980 when Jean-Luc Pépin did bring forward Bill C-155. Of course it was a federal Liberal administration and our member of the third party in this House still supports those views held by Jean-Luc Pépin in articles that I read into this House a few weeks ago.

But I'm asking, where were the members opposite? Because federally they are now in . . . their government, the Conservative government, is in power and they have some ability to lobby their colleagues. I would hope they do. I would hope they're listened to somewhat. But where were they back in the early '80s? Back when there was an election which was fought, and quite heatedly so, on the Crow benefit.

The member from Morse is chirping but I'll tell you, I know what he was saying back then, under the guise of competition we needed an enhanced railroad system. But what does it cost the farmers? A great deal. The original concept of a Crow benefit payment was announced by Jean-Luc on February 8 of 1982. It was originally intended to be paid in most part to the producers.

However after much lobbying by Quebec and prairie interests, the minister introduced amendments to the Bill on May 9, '83 which proposed that the entire payment be made to the railway companies. That was the wishes of the government of the day in 1983. That was the wishes of the farmers, Mr. Speaker. And I think that if the member from Morse gets a chance to speak later today that he should state where his position was then and where it is now.

The Crow benefit was committed in perpetuity and represented a cap on federal assistance to be paid on the railways' claimed losses for the grain haul, which

was to be phased in and attain a maximum of \$658 million annually commencing in 1986-87. However the federal government was never allowed the matter of the method of payment of the Crow benefit to rest. And why would they with the federal Conservatives pushing it every year to see a change? To whose benefit? Is there a benefit on . . . I ask the member from Morse, is there a benefit on your farm for what's happened over the years, or is there a heavy cost? Well I say there's a heavy cost, and we'll get into that in a while.

A committee of inquiry on the Crow benefit method of payment was ordered by the Transport minister shortly after the passage of C-155. Justice Gordon Hall's committee on March 29, 1985, recommended the Crow benefit payment be redirected from the railway companies to producers as a grain transportation refund. That sounds a lot like something that member would support, push forward.

(1445)

In April of 1991 the federal consultative committee on transportation efficiencies circulated a discussion paper on the subject of western grain transportation efficiencies. It has clearly advocated reductions in branch lines and supported changes to the method of payment of the Crow benefit.

Now with this discussion paper coming about under a federal Conservative government, I'm sure that the members opposite could put forward all the letters of support for the farmers' cause, what they've put forward to lobby their colleagues, put forward the views of their constituents, and no doubt they will bring those into the legislature later on.

In January of 1992, a little over a year ago, the federal government commissioned elaborate transportation talks forums across the Prairies. These forums were quite clearly intended to further undermine farmers' support by retaining the current method of payment. Almost without exception farmers continuously passed resolutions supporting payment to the railways of the Crow benefit.

The forums were generally recognized as a further government attempt to break the method of payment and loosen branch line abandonment regulations. And I know that the member from Morse was at those meetings. The federal member from Swift Current-Maple Creek-Assiniboia was at meetings that I attended in Mankota and Frontier, and I know the message was loud and clear from those people. It was status quo.

Even meetings that were held across the line in Alberta, I know of meetings held in Medicine Hat where the farmers were supporting the status quo — no change. But of course the Conservative Government of Alberta is also pushing hard, their Agriculture Minister Isley working behind the scenes with his federal counterparts to try and scuttle the whole show so that they can have their way, change the method of payment, increase the cost to the

farmers.

And I'm not sure what the member from Morse expects is going to come of the south-west area that he represents. I'm not sure if he is in favour of seeing the branch lines disappear, but of course that's coming and he knows that is. You don't have to go too far south of where that member lives, just across the line into the States, and you'll see what happens when you want to deregulate.

They have railroads down there, Mr. Speaker, you'd swear to look at them that they're not even being used. What is happening is that they're just not being kept up, along with their elevators. I'm sure you could throw a cat through the wall of those elevators. And the member knows that and he knows that we're going to follow suit if we make these changes.

The latest attempt of the government to break the method of payment is contained in proposals prepared by consultant Ramsay Withers and put before the November 17, 1992 Toronto meeting of federal-provincial ministers of Agriculture.

And a few of those key issues that were raised: changing the Canadian Wheat Board pooling point to the St. Lawrence ports from Thunder Bay; moving away from distance-related to cost-related grain freight rates; permitting the provinces to determine how the producers' share of the Crow benefit would be paid out.

And we know what's going to happen once some of the provinces have that decision to make. You're going to have a dilution factor. You're going to see the payment be diluted over other industries. And it won't be long before we're all in trouble, and I'll get to that after a bit.

Remove all prohibition orders on grain-dependent branch lines and simplify abandonment applications. Phase in the changes commencing August 1, '94 over a four-year period by increasing the farmers' share of grain freight rates by \$5 a tonne annually for three years and bringing farmers to payment of full compensatory rates in the fourth year.

Establish a monitoring and management committee to modify the impact during the implementation stage. And I'm sure that they would have that well organized and controlled also.

The future method of payment of the Crow benefit and further rationalization of the grain handling and branch line system points ominously in the direction of rapid change. They believe in the change. They're not sure where it's going. If it's going anywhere it's to help their multinational friends, the ones that bring them into power, that donate heavily to them. So they have to repay some of those notes that are now due.

Since July 15, 1981 to November 30, 1992, branch line abandonments have totalled 1,752 miles in this province . . . or in the three prairie provinces. In Manitoba there was 429 miles; Saskatchewan lost

912 miles; Alberta lost 410 miles. The writing's on the wall, as the member from Morse well knows.

When we look at what's happened to primary elevators, Mr. Speaker, in 1982, in the '82-83 year we had 1,578 elevators in Saskatchewan; 10 years later we got 779 — half the elevators. Delivery points in 1982-83, we had 643; 10 years later in '92-93, we're at 498.

The amount of storage in tonnes, 4.143 million in 1982-83; it's down to 3.3 now 10 years later.

I think it all shows, Mr. Speaker, exactly the direction that things are going when you allow the deregulation and you allow us to break from past agreements and what was the norm, the never-ending attention that has been devoted to redesigning the system ever since passage of the Western Grain Transportation Act which occurred in November of '83. On that occasion a historic rate officially ended, Mr. Speaker. Farmers lost a major historic right in grain freight costs that they had enjoyed for over 80 years, which assisted them in marketing their grain and which they still need today, Mr. Speaker.

The passage of the WGTA (Western Grain Transportation Act) represented only the first step, not the last step as many were led to believe, in the ongoing agenda of the government and corporations for incremental change leading toward a totally redesigned and largely deregulated rail system.

Changes have occurred including the government ending the branch line rehabilitation program. Applications for abandonment of the branch lines protected to the year 2000 are now being proposed. Incentive rates to facilitate the centralization of grain deliveries, permitting discrimination in grain transportation rates, have been implemented.

Mr. Speaker, the matter of creating government policy and program changes in order to improve the efficiency of the existing system and thereby reduce costs to system participants and in particular to grain producers, is, on the basis of past experience, self-serving and patronizing. But the farmers have never been the beneficiaries of any of these changes. The constituents that that member across represents have never been the beneficiary of what he has supported in his political life.

There are numerous instances, for example, where producers have fought to retain branch line rail lines and failed. Their costs to move grain have not been reduced. Their operations have been forced to adjust to added inconvenience through loss of time and longer hauling distance, and in turn become less efficient.

And when we're talking about branch lines and alternatives to operating the branch lines, Mr. Speaker, I want to bring to the attention of the legislature a letter which was sent out from Mr. Paul Beingessner. He's the general manager for Southern Rails Cooperative and he sent copies of these letters to

many of the producers in the province, and I just want to quote some of the comments that the manager of the Southern Rails Cooperative has on this issue:

On November 17, 1992, the federal government issued a "Working Draft for Grain Transportation Reform". The part of this paper which received the most attention was the proposal to change the Method of Payment — that is to pay the Crow Benefit subsidy to the farmer, rather than to the railways.

Because farmers are hard pressed financially at this time, they are focusing on this issue, and on trying to extract a third line of defence payment from the government.

And he's absolutely correct. When we look back at what's happened over the last two years, we know that in the spring of 1991 when we were cajoled into joining up a farm program at the time 1991 GRIP (gross revenue insurance program) was coming on stream, it wasn't going over so well. So members opposite who were . . . And the member from Morse as associate Ag minister, I think, during that time . . .

An Hon. Member: — Toy minister.

Mr. McPherson: — Toy minister . . . this is where he was at. He was there talking about what would happen if you don't join up to their farm programs. You would missing out on any of the third line of defence monies that were coming out.

And of course we did. Join or not join, we're still waiting for that third line of defence money. But people . . . Mr. Speaker, the farmers are so cash-strapped, and his constituents too are so cash-strapped that what's happening now is that they're looking for all ways of raising funds.

And the members opposite and their federal counterparts, they know this. They know that the farmers are in desperate need of cash. They don't know how they're going to go out there and put the crop in this spring.

So the federal government right today knows that if they can start offering up their transportation subsidies in the form of program payments, that it's going to be looked at — unfairly so.

Just to quote a little further from this letter from Southern Rails Cooperative:

Who wins through abandonment (he asks)? Why then is it being promoted so hard, and who would the winners be? The major winners would be the elevator companies. They would be able to do the unpopular rationalization of their system and blame rail abandonment for it.

The other winners would be the railroads. In Saskatchewan, CN and CP Rail have created virtual monopolies for themselves. CN in the North and CP in the South. They were allowed

to do this through abandoning some branch lines and trading others to their "competitor" to enhance their own monopoly position elsewhere.

As monopolies, the railways know that under a de-regulated system they wouldn't have to compete with anyone.

And that's right on with where your mind is at, member from Morse.

As monopolies they know that branch line abandonment won't hurt them since the grain will come to their lines anyhow. Line abandonment will allow them to meet their goals of labour force cuts.

Now that's who wins through abandonment.

Who loses through abandonment? Of course, no one is proposing abandoning of the entire branch line network — only the "high cost" portion. Which brings us to the question, how much of the network is proposed for abandonment?

How much is? Well good question.

The proposal the federal government put forward is similar to that put forward in the "Efficiencies" Paper that the government floated as a trial balloon in 1991.

In summary, this paper called for removal of the Protection Orders that prevent the railways from abandoning branch lines. All lines would be transferred to a new schedule. They could be abandoned at a much faster pace than is currently allowed.

Funding for a trucking program, off-track elevator or short line railroad would be arranged with producers. This funding would end by the year 2000. Funding for short line railroads would not be allowed for lines which were not upgraded under the Prairie Branch Line Rehabilitation Program.

Immediate abandonment would be authorized for the Central Butte, Rhein, a portion of the Blaine Lake, Paddockwood, Big River, Neudorf, Meacham, Denholm, Shamrock and Lewvan, S. subdivisions, since these were never upgraded under the federal rehabilitation program.

Are short lines an option?

And this fellow ought to know, I mean he is the manager of Southern Rails. And the member from Morse has quoted from this fellow before; I remember him talking about a meeting out in Simmie that he attended, and how well this system will work, how it can replace what we now have.

The federal proposal does allow for the creation and operation of short line railroads in some cases, but this is a dangerous illusion.

Did you hear that?

(1500)

The criteria being proposed for funding of short line railroads would make this alternative virtually impossible. This is despite the fact that short lines can operate for one-third to half of the cost of operation by CN or CP.

Drawing on my experience as General Manager of Southern Rails Cooperative Ltd., Saskatchewan's only short line railroad, I did a rough analysis of the feasibility of operating a short line on branch lines in southern Saskatchewan that would be affected by abandonment. Under the federal proposal, there is not one of these lines which would have long term viability.

Well isn't that something? And the member from Morse is quoting a fellow that's saying, well listen, none of the lines in the south-west Saskatchewan would be viable under this proposal. But he can't table anything in this House which shows how he has lobbied his federal counterparts to make changes. He goes on:

The worst is yet to come. As you can see, the federal proposal is much more far reaching than a change in the Method of Payment. As I said earlier, very little attention is being focused on the abandonment proposals — partly because very little information about this has been made public and partly because some (of the) major players in the picture stand to benefit by this. The federal proposal also carried with it the intention of moving eventually to commercial rates and confidential contracts. This would mean an end to distance related rates and to a regulated rate structure as a whole. Because they are in a monopoly situation, and because our transportation options on the prairies are quite limited, the railways would have the ability to charge whatever the traffic would bear.

It is time for those who will pay the costs — the affected producers — to stand up and be heard on this issue. There are enough of us that the government will not be able to ignore us. Perhaps it is also time for endangered communities to band together in some type of lobby group to speak specifically to this issue.

Paul Beingessner, General Manager, Southern Rails Cooperative.

I think that's a real good letter. I'm glad he sent that out. And I think . . . I hope it's one that the members opposite are going to listen to a little better than what they have to date, Mr. Speaker. Because this is the

feelings. This man is speaking for the concerns of the farmers. He knows full well that should we go to a more deregulated system of short-line railroads, for his business it's only going to improve.

So why is he then saying it's not the answer for everyone? I'm sure he does believe that there are a few lines, Mr. Speaker, or Mr. Deputy Speaker, that will do well. But when these people who are in the business have the farmers' interest at heart, why then I ask would the members opposite not be listening and not be acting to the betterment of the farmers?

Now I know the member from Souris-Cannington must have some rail lines in his part of the province that are also slated for abandonment . . . (inaudible interjection) . . . He says not, from his seat. Well that explains then why he never takes a stand on the issue.

Mr. Speaker, Mr. Deputy Speaker, looking at the motion, it deals with a 10 per cent cut over two years. This was brought down by the federal government not long ago, announced unilaterally, no consultation, no consideration for the situation that other provinces and the producers within those provinces find themselves in — just a unilateral cut, more offloading.

What it's doing is adding more cost onto the backs of the Saskatchewan farmers, and I know that is going to affect the producers in the riding of the member opposite.

This cut, Mr. Speaker . . . The Crow benefit is some three-quarters of a billion dollars of which some \$400 million, I believe it is, goes to Saskatchewan. So what we're talking about is \$80 million over two years. Now when they want to talk about raising a lot of money, they tried to make a \$23 million issue last summer, letting on that it was not that much money, this government could afford it, knowing full well that the producers couldn't afford it. So then why aren't they opposing the federal government's change when we're talking four times that amount? They're quiet on it.

An Hon. Member: — Where is the member from Thunder Creek on the issue?

Mr. McPherson: — Well so far he's sat silent. The proposal reduces the Saskatchewan share of the Crow benefit, Mr. Speaker, as I said, by \$40 million to provide compensation to Manitoba for changes in freight cost pooling, and this will mean eastern Saskatchewan producers paying more to move their grain to port.

Now the member from Souris-Cannington, I know that he's got to at some point defend the people that he's representing, if he is representing anyone.

Last July in Halifax, Mr. Deputy Speaker, the Agriculture minister agreed that the current method . . . the current benefit under the Western Grain Transportation Act should remain in western Canada and not be diminished. That was last July. So it's not too many months later and they are already attacking

it.

And I don't see any opposition from those people. There's been no real dialogue, no consultation with Saskatchewan producers on these issues. The last time there was consultation and dialogue was during the meetings of last winter. But for those members that . . . for those producers that attended those meetings, they sent a clear message: we don't want you people tampering; get out of our pocketbooks.

And, Mr. Deputy Speaker, I'm looking at an article from *The Western Producer*, "Ottawa ready to pay Crow."

Ottawa says it will proceed with enabling legislation to distribute the \$720 million subsidy.

That's not what the producers are asking for, but that's what they're going ahead with.

The federal government appears committed to bringing in legislation that would allow the Crow benefit to be converted to a NISA type account.

Now I'd have to ask the members opposite: are any of the producers that are in your areas, are they asking for that? Have you heard of that from anyone other than the federal government? Well the member from Morse shakes his head, no, but he won't get up and say it in the legislature.

Mr. Speaker, the cost that this federal government has put onto the backs of agriculture producers in this province has been immense. To say that the producers don't trust these members are . . . that's putting it mildly. And I just think back to why this would be.

And I suppose what many of them think about is the two-price wheat system. And I know that, you know, during elections and such, the members opposite, they're talking about the 200 million; how we're going to straighten that out; and we're going to get 200 million bucks. They're letting on it's for Saskatchewan.

Well I still have a mailbox, so if there was any money coming out, I'm sure that I should have gotten my share as a producer. But it never came. And nowhere, in any of the remarks I've heard from you since I've been a member, have I seen where you've been asking the federal government to come clean and come up with this money. You supported that, but now you're nowhere, nowhere on the issue.

Other offloading that they've been hitting the producers with — crop insurance. Look at the share that the producers pick up of crop insurance now. Federal offloading. Not once did the members opposite speak up opposed to that. They've been offloading. They've been offloading on your revenue and insurance programs. They're allowing the federal government to offload.

In fact as I recall, the only time that the members in recent history have spoke on agriculture issues was when they wanted to do away with the cash advance, wasn't it? Yes.

Those members opposite, they were touring the province at the time. They weren't saying we want to retain the cash advance, interest free cash advance. They were saying it was unfair. Somehow it was unfair for their producers . . . (inaudible interjection) . . . Well I don't know how that could be unfair to the members . . . or to the good citizens and the people that produce on farms around the Morse area, because they're still asking for it. They want to ensure that it remains.

Never have you stood up for those people on that issue, but especially without ever talking about any of these others.

And now what they're proposing is that we do charge interest. Somehow I don't think that's fair. And I ask the members opposite, why not take a stand on some of these issues against the federal government? If you actually think that they're going to be around to support you, they're not.

The member from Morse, you're not the one going to the Senate. So you might as well, you might as well defend your constituents.

The people down East, in the end they're not caring about you. And neither are they paying your bills and wages to be here. So you should be defending those people that do pay that.

Mr. Deputy Speaker, when you look at the proposal put forward by the federal government, as far as paying into a NISA-like (net income stabilization account) account, instead of or in lieu of the third line of defence, I think it runs a little bit of fear into the hearts of producers. Because they know full well that once you start to take away the transportation subsidy, it's only a few years down the road until it's gone altogether. And then what are we going to do for any cash injection? Well there won't be any.

What you should be doing is defending your producers, defending your constituents for a third line of defence. Defending them because agriculture is a federal responsibility in all the other countries of the world, but here you people have allowed the federal government to offload onto the backs of the province — Saskatchewan taxpayers and Saskatchewan producers.

You're going to have to be with us in defending the producers, because all too often the Prime Minister has made comments that he's going to be there to help the farmers during the trade wars.

It's not up to the farmers to try and defend themselves against the United States and the European Economic Community in having a war. We rely on the federal government to take that action. And we rely on you to lobby them on their behalf.

Other areas that they've pulled out of, Mr. Deputy Speaker, I look at Canadian Wheat Board erosion. These members opposite have never taken a stand on that issue either . . . only to say that they've been supportive of it. When oats were taken out of the jurisdiction of the Canadian Wheat Board, these members supported it. They've always been opposed to single-desk marketing; they want farmers to be able to do it on their own. But the producers aren't asking for that; they know full well the strength of marketing is in single-desk selling.

And that's why at the Saskatoon rally 13,000 farmers . . . and I was standing near the member from Morse; we talked up there, didn't we? — and, you know, when I heard speakers come out in favour of Canadian Wheat Board, that was when there was a standing ovation, 13,000 people. I didn't see anybody in that building that wasn't standing. The member from Morse was trying to find a chair but he happened to be standing before that, so . . .

That's what the farmers want. Now I know that you people feel you know better but somehow I think that the 13,000 farmers perhaps know what they want and need. They've been around that business long enough to know full well who's helping during the campaign. I don't think that Cargill and Continental and some of the bigger players are actually out there, you know, going to bat for the farmers. But they support the Conservative Party. And that makes people real wary as to what game you're actually playing.

An Hon. Member: — Who wins on the open market, Harold?

Mr. McPherson: — That's right. The farmers are saying: you know, times are tough enough and we could really use the help instead of you going to bat for the multinationals.

I want to ask if the members will let this motion come to a vote or will they adjourn and by their silence support the feds in their attempt to eliminate the Crow benefit. I think their game has gone on long enough. I think they've got to stand up and take a position today. And if they'll do so, we'll ensure that it's not a political decision that they're going to have to make, but one for the producers.

(1515)

And I know the members opposite are laughing because they have no intention of going against federal counterparts, not during a leadership race, not while they've got one of their own on the go. Just let your constituents know where you're at. And I know that some of the members over there have been doing a bit of a tour of the province letting on that they're really concerned about health care, and I'm sure they are. There's no doubt they are.

An Hon. Member: — Well I'm not so sure about that.

Mr. McPherson: — Well they attended all the meetings. I know that they were at the meeting in

Eastend. They hid at the back of the hall, mind you, but they were there. I'm sure they could — from their perches — they had a good view of what was happening at the meeting.

Then they come back here and try and say that they're taking a stand for the people out there. They're standing up and speaking for the people of Eastend, in my constituency, and not myself. I was at the front of the hall. I had the mike.

The member from Rosthern, he was at the back of the hall. All you could see every so often was a little glimpse of him peeking around the corner. He was writing notes.

That's not what people are asking for. They want something more. And I guess that's why I really stress the point on this motion today. Please stand up for your constituents and let this go to a vote. Thank you, Mr. Deputy Speaker. And with that, I will move the motion:

That this Assembly urge the federal government to maintain the Crow benefit method of payment and that this government further urge the federal government to cease its outrageous reduction of the Crow benefit by 10 per cent each year for the next two years, in an obvious attempt to force farmers into a corner.

Seconded by the member from Biggar.

Some Hon. Members: Hear, hear!

Mr. Whitmore: — Thank you very much, Mr. Deputy Speaker. It's with great pleasure that I speak on the area of grain transportation here today. It is certainly an area of concern that I have had, and I have been involved in the area of the grain transportation discussion going on now, I would say, in excess of 12 to 13 years. It is an argument that has existed in terms of what we do with grain transportation for a long, long time.

What I wish to do today, Mr. Deputy Speaker, is outline some of the activities that took place up until the change of 1983 — that was brought forward by then the president . . . the Liberal government that was present at that time, first under the Transportation Minister Jean-Luc Pepin and finally brought forward by Lloyd Axworthy — and some of the concerns that were brought forward by producers and the arguments brought forward by producers at that time.

And then I want to highlight by going into the continual erosion of that transportation subsidy and the arguments to change that subsidy throughout the '80s and into the '90s, where federal governments have stood on that issue and the pressure they have put forward to make changes there against the wishes of producers of Saskatchewan; and where also provincial governments have been involved, specifically the provincial government that was in power for the last 10 years in Saskatchewan, and from there talk about the proposal that's been outlined

today in reference to the motion.

I think we have to understand, Mr. Deputy Speaker, how the federal government has treated the producers of Saskatchewan in respect to the method of payment.

Recently we have seen documents floated forward talking about a change to grain transportation. You know the amazing thing about these documents, Mr. Deputy Speaker, is that these documents, talking about a change that has a great deal of impact on rural Saskatchewan, are written on two pages with no detail.

And ministers have come and gone, as we've seen the Hon. MP (Member of Parliament) from Kindersley-Lloydminster. He was removed as the minister of Agriculture, I think, due to a fact for an unwillingness, that he knew what the change of the method of payment would do for Saskatchewan, was unable — was unwilling — to make those changes. And I think in the eyes of the federal government they needed somebody who would make those changes.

And therefore we have seen the Minister now of Agriculture, Charlie Mayer, who is pushing very hard to make changes against the wishes of the producers of Saskatchewan.

I would certainly like to sit down sometime with the former minister of Agriculture because I know he's had difficulties in terms of this area of grain transportation. He knows what producers are saying out there in Saskatchewan. Mr. McKnight knew the fears of deregulation and higher freight costs would have on the producers of Saskatchewan.

And I think that for that very reason is why he was removed. And that's a sad thing. What the question becomes, as my colleague has stated in Shaunavon and I think it's important today that we have to know, is where the opposition stands on this issue. We're facing some very serious decisions here, Mr. Deputy Speaker. And it's important that we have a vote today, as it's also important for the Leader of the Liberal Party to also take a stand on this issue. Producers of Saskatchewan need to know where everybody stands.

I want to talk about 1982, 1983 when the . . . I'll actually go back a few years. I've been involved in many farm organizations before I entered politics, and those two farm organizations fought hard to keep the method of payment. I remember being at a hotel in Saskatoon when the famous Jean-Luc Pepin came . . .

An Hon. Member: — In the back door.

Mr. Whitmore: — In the back door. I was at that back door. I was at that back door. And I clearly remember how he treated the producers of Saskatchewan to this change. He totally ignored them. But when he brought that proposal forward on grain transportation, he wanted to pay the producers. Clearly and unequivocally that's what he wanted to do. And farmers at that meeting said no. And he ignored them.

I remember a meeting at a community at Delisle. The rink was full — 1,200 people. Supposedly it was going to be a silent meeting. There was no invitations out. Jean-Luc Pepin was coming to talk to farmers, but only a chosen few. Well he had a surprise. Twelve hundred came there and greeted him and said keep the Crow; do not change the method of payment. But Pepin ignored that again and again.

An Hon. Member: — A Liberal too, he was.

Mr. Whitmore: — That's exactly right. I should outline though that there was a brief time where the Conservatives were in power in '79. Without question, that's where the initiation came to change the Crow.

Oh he laughs. The member from Morse laughs. I know that the former minister of Transport, under Joe Clark, initiated the change. And when the government changed in '79, the bureaucrats didn't and they continued to push under Jean-Luc Pepin.

So we saw this change come about.

An Hon. Member: — Same chicken.

Mr. Whitmore: — Same chicken, exactly right. Same chicken.

So in 1982 we saw this fight, and it permeated into the provincial election. And with the discussions on the Crow debate and the questions of paying the producers, farmers rallied. Farmers rallied to fight pay producer.

I don't know if the members would remember the white crows and the activity that took place there for people to sign those white crows and send a message to Ottawa not to change the Crow, not to change the method of payment.

An Hon. Member: — Alberta, Saskatchewan, and Manitoba.

Mr. Whitmore: — Exactly right. It was prairie-wide cooperation.

I took part in an activity that farmers got together to convince Ottawa not to pay the producers. And I don't know if the members opposite remember, but petitions were signed across Saskatchewan, 110,000 people from all walks of life in Saskatchewan — 10 per cent of the population signed those petitions.

Along with those petitions, letters were written. And farmers in rural Saskatchewan literally went farmyard to farmyard to business to business to convince people to make sure we didn't see the payment to producers. And Jean-Luc Pepin ignored it.

Well I was lucky enough to have the opportunity to go with a group of farmers and present those petitions to Ottawa. And when we went and presented those petitions, it was also under the cooperation of all the political parties in Saskatchewan. The then legislative

secretary to the minister of Agriculture, Mr. Lorne Hepworth, came and spoke on behalf of the provincial government at that time. And Mr. Hepworth said at that meeting and said to the producers and said to Jean-Luc Pepin: no, do not change the method of payment. Do not change the method of payment.

Ralph Goodale, then an MLA (Member of Legislative Assembly) from Assiniboia-Gravelbourg, also spoke representing the Liberal Party and stated there: no, the method of payment should not change.

Now I had some difficulty believing Mr. Goodale because when it came to Mr. Goodale I remember who he worked for in Ottawa. I don't know if you people recall — there was a button that would circulate in Saskatoon several years ago and there were two four-letter words you were not supposed to use in the community of Saskatoon. Everybody remember what those four-letter words were?

An Hon. Member: — What were they? What were they?

Mr. Whitmore: — Otto Lang. If we need to point the finger of a nemesis who created the upheaval in the grain transportation system — Otto Lang. Now Mr. Goodale worked for Otto Lang. I'm not quite sure what took place there. But in that spirit of cooperation that was in that room, along with the opposition party at the time which is now the present party in government, we clearly and unequivocally supported no change to the method of payment.

And we went out as a group of farmers and sought allies across the Prairies, across Canada, to support our position. We found those allies. The farmers of Quebec realized what it would do for the producers of western Canada. They saw the difficulty and they rallied. Other farmers from across Canada came to our side and rallied.

And do you know, Mr. Deputy Speaker, what happened? Those farmers with those allies and with those 110,000 people from the province of Saskatchewan stopped, stopped the method of payment from changing.

Some Hon. Members: Hear, hear!

Mr. Whitmore: — And we know what that cost. We know what that cost. It cost the federal minister of Transportation. Jean-Luc Pepin was removed. He was dumped. Mr. Lloyd Axworthy, then the member from Winnipeg, became the minister of Transportation.

Now I have to say, we won on that account. We won that battle, but we did not win the other battles because with their Western Grain Transportation Act, changes came to the grain transportation system. We saw the introduction of variable rates, which are slowly eroding the base of rural Saskatchewan as we see the threat to branch lines. We see now in terms of the national transportation authority saying that branch lines should now have the opportunity to

abandon lines without hearings and without anything, just simply because of costs. And I'll talk about that later on.

(1530)

Farmers lost protection. They lost protection with that Western Grain Transportation Act. It opened the door. And that door continues to get wider and wider, where we see now the door at its widest position with the proposal that's been put forward by the federal government, which I will talk about later on.

But the question becomes is that we saw the problem and we reacted against immeasurable odds to win that battle. That battle is occurring again. That battle is before us again, and we must rally together in order to do that. We must work together as all political parties, as they did in '82 and '83, work together to fight this legislation.

And that is the reason for this resolution today. We are seeing the advent of federal legislation coming forward that will truly be a demise to what we see as agriculture today.

And the route that the federal government has taken is a route of divide and conquer. They have split us up. They have pitted farmer against farmer. They have pitted farmer against rancher. They pitted provincial government against provincial government, bought off governments, rather than working together to find a workable solution.

And I believe there is a workable solution to solve the problems out there without the cost, without the dramatic cost to the grain producers of this province; and also dealing with the questions of the livestock industry, without this polarization. But this is the way this federal government works. They want us to work against each other.

You know, and what they've done is an article that's stated yesterday in the *Star-Phoenix*, stated:

Agriculture Minister Charlie Mayer's strategy of divide and conquer on the contentious transportation issue has successfully isolated Saskatchewan, he said.

They have tried to buy off other governments. They have put proposals forward without even putting their name to them, without even saying this is what we want to talk about. They simply say here is a document for discussion. Do you like it? Do you want to be a part of this team? And we'll give you something. What do you want?

Clearly, short-term gain for long-term pain. We can't afford to have this. We can't afford to have this, but this is the direction the federal government is taking in treating the provinces.

The proposal that was originally brought forward in November 17, 1992, which talked about where the provinces could decide how the payment is made,

how each province would decide, I equate that . . . I don't know if you know situations where in certain countries there are different gauge railway systems, small gauge and large gauge.

An Hon. Member: — Australia has three gauges.

Mr. Whitmore: — Three gauges. Well that's what we would have in western Canada, three gauges of railway systems. I had a livestock producer tell me from outside Lloydminster in Alberta, he said what he wants to make sure is that he was buying grain on the Alberta side and make sure he was exporting on the Saskatchewan side if the changes were different in either province. That is not fair for producers in Saskatchewan. That is not fair for producers in Alberta.

An Hon. Member: — Who calls for a level playing-field? Isn't that a Tory word?

Mr. Whitmore: — Level playing-field. A Tory level playing-field goes like this. That's a Tory level playing-field. You jump off the cliff without a parachute and you hope there's water at the bottom to break your fall.

I think something that has been lost in the argument though when we discuss grain transportation and changes to the method of payment is not just the dollar value and what will be coming to the provinces, but it's the question of deregulation. Clearly that is a fear. The former minister of Agriculture in Ottawa paid dearly for that, for recognizing the question of deregulation. And I would certainly like to know what the members opposite think about deregulation. What kind of grain transportation system do they want to see? And who will pay?

When we talk about the dollar value of the Crow benefit, we've seen here too after the changes of 1993, a moving target. Federal contributions to the western grain transportation payment authority have moved up and down like a yo-yo, and this has been unfair for producers. They have been faced with a hardship, one not knowing what the freight bill's going to be next year, and then seeing a decline in the share by the federal government.

And if it continues the way it is without Ottawa recognizing the difficulties we have in moving grain in this country, the farmers' share will continue and continue to grow. Now the question becomes: is that the kind of protection we need for grain producers? And the overall discussion then with the change of the Crow benefit and what it means, is it simply transferring the cost from the railways, of moving that grain, onto the producers?

Farmers have argued for years and years, but what needs to be recognized in moving grain in Saskatchewan is the cost of moving grain from the farm gate. But federal governments upon federal governments have not recognized that argument. They say it's from the elevator company. What is the most efficient way to do it from the elevator? They

simply neglect that cost to the farmers in terms of that.

And what we see with a proposed change to the method of payment is a huge transfer of cost to producers. And with that huge transfer of cost to producers, they will have to react; they will have to react economically to protect themselves. And with that kind of system of deregulation, it's unimaginable the kind of system we could see.

You know, and this is interesting because one of the first things that the railways want to do in terms of changing the railway system — and I wish the member from Kindersley wouldn't leave right now; I wanted to . . .

The Deputy Speaker: — Order. Members are restrained from referring to the presence or absence of other members in their remarks, and I want to caution the member not to do that again.

Mr. Whitmore: — Thank you, Mr. Deputy Speaker. I apologize for that. I apologize.

For the record, I want to talk about, with the change in method of payment and what it would do also to the changes of rail line abandonment, communities that would be affected. And without question, the system that the railways want to see in terms of grain handling in this province, I think for the 21st century, are two railway tracks — one running across the northern part of Saskatchewan through Saskatoon, the other one running through Regina. And that's not the system that we need.

An Hon. Member: — A lot of wheat grown in Regina.

Mr. Whitmore: — The member from Thunder Creek says there is a lot of wheat grown in and around Regina, and there is. And I totally agree. But the question becomes: what happens to the communities that are 75 miles away from Regina, or 80 miles, or 100 miles from Regina, or 150 miles from Saskatoon? What about the community of Meadow Lake? Would there be any value to producing grain up there? What would be the freight costs to do it from Meadow Lake?

But communities affected, and I want to deal with one in particular, and that being the constituency of Kindersley and the communities that would be affected with branch line abandonment, with this change in deregulation. One would be Coleville, north of Kindersley. The other ones would be the south track, which includes Eaton, Laporte, Eston, Mantario, Plato.

These are significant communities in that area. How would they react if their elevator system is gone? How would they react when the elevator is closed? Who's going to pay for the infrastructure?

How would they react to the moving of grain to Kindersley from the area of Mantario or Eston, or south of there down by the river where you are restricted by the ferry, that you cannot go south. Because of the ferry operation you must go north, therefore then who

pays for the road damage? Who pays for this?

And if they did wish to keep their railway system, who would pay for the additional freight costs which could be double, literally double, being 75 or 100 miles away from a central point. Is that a fair system? Is that a fair system for rural Saskatchewan?

I want to talk about some other changes in terms of the impact of changing the Crow on rural communities. Changes in the grain handling and transportation system could impact significantly on Saskatchewan producers and their communities. Agriculture transportation policies play an important role in our community development and provide producers with the convenient and affordable access to domestic and world markets.

Accelerated branch line abandonment could limit the future economic development opportunities in rural communities. The pace of branch line abandonment would increase in Saskatchewan if the proposed system efficiency measures were implemented and the method of payment of the western grain transportation subsidy was changed.

Now people use the argument, well elevators are closing anyhow. We are seeing a change in closure of elevators. It's going to take place. We're just going to speed it up a bit.

The closure we have seen over the last 30 years has been controlled to allow producers to adjust in a proper manner. It has been an evolution, not a revolution — not a revolution. We have seen the revolution. The revolution took place in the Montanas and the Dakotas in the early '80s — the revolution and the despair and the destruction of the grain handling system.

An Hon. Member: — A vanishing act.

Mr. Whitmore: — A vanishing act. And as the member from Shaunavon had outlined, with no economic benefit to those communities.

Transportation infrastructure is an important factor in the development of agricultural production, processing facilities, agricultural services, and other businesses — the lifeblood of rural Saskatchewan.

Modernization of the grain transportation system can contribute to the revitalization of rural communities through the development of cost-effective grain collection services. Alternatives to conventional rail service on grain-dependent branch lines can help to control increases in the transportation costs and generates new employment and other economic rural activities.

I know the members opposite when they were in government — and I give them credit for this — activated the program of terms of the road-railer, which was an opportunity by which we could explore the opportunities of short-line railways on grain-dependent branch lines. That activity

continues. We are producers who are actively operating short-line railways and trying to provide a benefit, as the member from Shaunavon had outlined, at half the cost.

But, but, I say, members, if there is a change to the grain transportation system, if there is a change to the method of payment and deregulation comes forward, short-line railways will not exist. Short-line railways are a solution to some of the problems in grain dependent lines.

I know in the area of Thunder Creek where members were actively pursuing in the Riverhurst area of putting together a short-line railway, this will disappear. Farmers will not have the opportunity of working together to find solutions to their problems. They will simply have to haul farther. Simply have to haul farther.

(1545)

In 1990 Deloitte Haskins & Sells study found that any changes in the method of payment of the western grain transportation subsidies and the Canadian Wheat Pool price pooling in the branch line abandonment process would have significant social and economic impacts on rural communities.

Restructuring of the rail and road networks to improve the efficiency of the grain handling transportation system would affect, quote: would affect the viability of some rural communities. Some producers and their families would be negatively affected by changes in agriculture production patterns and higher transportation costs.

The Deloitte Haskins & Sells study concluded that there will always be winners and losers — there will always be winners and losers — as a result of rationalization of grain transportation system.

An Hon. Member: — Farmers lose and the railways win.

Mr. Whitmore: — Exactly right. Farmers lose, railways win. Farmers smile if they're close to a main line. They know that they will survive. Farmers that are 200 miles from a main line face some serious economic consequences, as their communities do, as I'll further outline.

Saskatchewan producers believe existing branch line abandonment procedures do not effectively meet their needs or support rural communities. A study done for the province found that more than 80 per cent of Saskatchewan producers are dissatisfied with the current railway abandonment process.

And do you know how the federal government reacts to that? Do you know how the federal government reacts to 80 per cent of the producers not liking the system?

The national transportation authority brings out a report saying that the rules should be easier for the

farmers to get rid of — easier. Do away with hearings; simply file an application; take away the protection to the year 2000.

And farmers are unsatisfied with the system now? They would have no voice, literally no voice in how the branch lines are dealt with in the province. It would be lost. The railways would simply say: this one costs too much money, it's gone. The railways would say: this one costs too much money, it's gone.

And I think every member in this House for any of the political parties should look at the map of the branch line system in Saskatchewan.

An Hon. Member: — CP says that about the main line.

Mr. Whitmore: — Well, CP says some strange things, the member says from Thunder Creek.

An Hon. Member: — Talk to the mayor of Moose Jaw about it.

Mr. Whitmore: — Maybe we should explore some other opportunities with our grain. Maybe we should explore some other opportunities. Maybe they're not the only game in town.

In 1976, the University of Regina survey concluded that the railway abandonment would have serious impacts in rural communities. They concluded reductions in consumer expenditures totalling \$120 million in 124 communities — and this is 1976. Now we have to tie in the years of inflation that took place under a Liberal regime and things like this to know where it stands now.

Increased business failures and increased depopulation of rural areas. I want to talk about the area of erosion of the local tax base. And this is very important to the communities.

Rural municipalities are very concerned with the change of method of payment and they've outlined that in the resolutions passed at several annual meetings where they have stated . . . I quote from the resolution carried at the mid-term convention in 1992:

Be it resolved that the Crow Rate Benefits continue to be paid to the railways.

SARM (Saskatchewan Association of Rural Municipalities) also talks about the question of railway abandonment: Therefore be it resolved when any railway is abandoned, the proper road impact, local environment and economic and local social impact be studied with regards to maintaining an effective rail system in rural Canada.

They know the cost of a deregulated transportation system. Their taxpayers will face it firsthand. Local taxpayers in terms of property taxes will be the first ones that will have to pay for the increased road impact, the damages to the roads.

And the studies go on and on in terms of those damages. We see those damages. I remember on Highway No. 7 travelling from the Alberta border to Saskatoon. Several years ago, the Queen Elizabeth power plant was forced to haul coal from Hanna, Alberta to Saskatoon by truck. They hauled it by truck. They showed the intensity of large units being hauled in a short period of time, what it did to the No. 7 Highway. No. 7 Highway has never recovered — just total, total damage of the road system. And SARM knows that, and they recognize that, they fear that.

Railway abandonment affects the local tax base, particularly in smaller communities where the railway and elevator properties are significant generators of tax revenue. Urban municipalities require property taxes to provide funding for community services. Rural municipalities not only experience a tax loss when the railway lines are abandoned, but must allocate more funds, more funds to road and maintenance construction, and to accommodate increased hauling by truck.

The capacity of many rural municipalities to finance additional road upgrading and maintenance work is constrained because their average annual road budgets are only 360,000. The cost of 1 kilometre of road to conventional pavement standard is \$380,000. Long-term effects on road infrastructure from use of larger trucks hauling longer distances will have a major financial consequence for municipal and provincial governments.

A change in the method of payment of the western grain transportation subsidies would reduce land values. I remember having a discussion with an ag economist — and no, it's not the one who is the former leader of the Conservative Party — but we had a discussion one time on what it would do to land values . . . (inaudible interjection) . . . No, I said the former leader. I said the former leader. He's not here. He will know that after the leadership.

The question of land values. It was always said in the '70s when land values were high, change the Crow and the value of land will come down. It will come down, yes it will, because it will cost so much to move it when you're 200 miles away that the land value will go down. There are studies on that. There are studies on that. The member from Souris-Cannington doubts these studies. I will give him volumes of them.

The impact of land values depends on the criteria used for the distribution of the Crow benefit. Land values could decline if the compensation of producers does not offset freight rate increases as a result of dilution. Studies have estimated land values could decline by 12 to 17 per cent immediately upon the phase-out without compensation. This would result in an annual loss in equity to \$180 million.

And we are already seeing low land values. Can we afford any more erosion? Those people retiring, can they afford any more erosion of land values in Saskatchewan? No we can't. No we can't.

Business impacts. Agriculture service business such as fertilizer, chemical, and feed suppliers have a tendency to relocate to alternate delivery points following the elevator and rail line closures. Many communities already affected by railway abandonment have suffered job losses. Despite some employment opportunities in commercial trucking, they are unable to offset job losses in the railway and elevator sector.

Now what impact does this have on the reliance of off-farm income? Reliance on off-farm income has increased with the decline in farm income in recent years. Rail service and other transportation infrastructure supports business development in rural communities. This industrial activity generates jobs for producers and their families, which generates jobs to produce . . . A recent study has found that three-quarters of Saskatchewan farm families earn more from off-farm income than from the sale of farm produce. So this is another thing we have to be cautious of.

I'm not stating anything new to the members opposite. They know this. They know this. They understood the question of a change to the method of payment. Because I believe that if they had believed in a change in the method of payment, they would have agreed with Ottawa a long time ago to do it, but they did not. They understood the argument. They understand the impact.

An Hon. Member: — So they didn't agree and they didn't fight. Where do they stand?

Mr. Whitmore: — Well that becomes the question of the day. Now I don't know if they've had the opportunity to look at the proposal that's been brought forward by the federal government recently.

Now we're not sure if it is the federal government or not. We simply get a document on a white piece of paper that says, here is a proposal; what do you think of it? What do you think of this proposal? And then we're to react.

And I think the members opposite knew in government that it was dangerous to do that when it discussed grain transportation, and I hope they recognize the same ploy that's taking place today. Because they know, they know the argument. I remember former ministers of Highways and Transportation talking about this issue. I know where they stand. So you have to remember that when you're talking about the producers of Saskatchewan.

But this new plan that's been brought forward . . . this one is new. I have seen it all over my years, in terms of grain transportation. I have seen all the proposals. This is a brand-new one. This is new and improved, new and improved.

We have talked about bond issues. Give the farmers \$6 billion bond and we'll allocate it out to them. Well ministers of Transport and ministers of Agriculture in the federal Conservative Party ran into difficulty. The

Treasury Board does not want to give out \$6 billion into a bond. So that's a problem.

In the mid-80s or late '80s . . . and I'm afraid to admit this today. I have to tell a secret. I have a skeleton in my closet. Now it is through marriage but I was speaking to my aunt the other day at Harris and she informs me that she is a first cousin to Mr. Isley, the Minister of Agriculture in Alberta. I wear that with a heavy heart. My aunt also wears that with a heavy heart. She also refers to another cousin that she has on that side that has served as a New Democrat in the Ontario government. So there is hope. There is hope in the Isley family.

But Mr. Isley made a proposal several years ago to deal with the question of dilution, and I think the members opposite and members in this House recognize a change in the member, of payment, what it would do in terms of dilution. Farmers in Saskatchewan would not receive the \$400 million for the export of grain. It would be lost. And Mr. Isley has seen that and is trying to take a larger sum of that.

But the proposal he brought forward several years ago was one, change the method of payment in Alberta, but we recognize dilution. We recognize dilution as a provincial government and we will pay our grain producers \$115 million. Perfect world — grain producers loved it because there wasn't a change. They were still getting compensated. Mr. Isley recognized there was a dilution factor and that's why we have to be wary.

But you know something? Mr. Isley was not going to get the money from the provincial government. His proposal stated he was going to get it from the federal government. Lo and behold, the money didn't come and the change didn't come. But I remember talking to leaders of farm organizations in Alberta who thought, you know, this did have merit because it was the best of both worlds. But it didn't come.

Now we've talked about the new plan, the new plan. We'll throw it into the NISA account. That's how we'll compensate farmers for transportation. In the next four years there will be a separate account. Farmers will have another account in NISA.

Let's just talk about NISA for a minute. NISA, that wonderful income stabilization program, you know, which if you make . . . if you have significant sales of \$250,000, you can do quite well, thank you very much. And the forms are so simple in NISA. The forms are so simple. They were so simple that they've now revised the forms to even make them simpler.

They've got a long ways to go. I talked to a farmer the other day and he referred to the NISA form. It's like a schematic diagram for a refrigerator, is that you start it at this point, you went down to another box, you went across to another box, you went down, and you finally got where you're supposed to be.

And to the average producer you know what NISA has been? NISA has simply been a cost. It has simply been

the cost of preparing the form and preparing your account, because that has been the only benefit you got out of NISA. But this is where the federal government wants to put the money, is in NISA.

(1600)

An Hon. Member: — It never pays out.

Mr. Whitmore: — Okay, okay. It never pays out. So in order to solve that problem, you know how they're going to pay it out? They're going to create another account. Okay. They will compensate you with another account to pay you in terms of losses and transportation. Simple administration. Every year you'll get a cheque from Ottawa.

An Hon. Member: — One form, two accounts. Now it's getting simpler.

Mr. Whitmore: — That's right. One form, two accounts. But do you know what's going to happen at the same time? That in August 1, 1994, the freight rate for the Saskatchewan producer would rise \$32 a tonne from \$13 a tonne — \$20 a tonne increase with no protection.

An Hon. Member: — What's the price of barley?

Mr. Whitmore: — Well the member asks, what's the price of barley. Now I come from an old school, so I'm not very good at converting back from metric to imperial, so forgive me on that. But in my logic, it tells me barley has no value. Barley has no value. Nice crop. I guess you got to figure out what to do with it. Maybe that's why they want to take it off the Canadian Wheat Board so it'll have no value then.

But the kicker is, the kicker to this little proposal is that after four years the money goes into the income side. That account disappears and it all rolls into one account. So you will only be paid if your income goes down. And if you have a declining income for a few years and extinguish the account, you will not receive the benefit until more money comes in.

An Hon. Member: — This is a different spin on the law of diminishing returns.

Mr. Whitmore: — Yes, this is a different spin. You know, it's like going down the river, jumping on different logs. You know, where's your foot going to go?

So the question becomes then, is this fair? Is this a fair way to treat people? The question becomes for the members opposite, is where do they stand on the issue and what is put on the record on this issue because that is what the people of Saskatchewan understand and that's what I want to hear. I want to know where the opposition stands on this issue.

Because if they want to play politics with this issue, they do it at the cost of the producers of Saskatchewan, they do it at the business community cost of Saskatchewan, and I don't think they honestly

believe it is in the best interests of the producers of Saskatchewan.

Because I know and you know where you people stood on this issue in the government for 10 years. You did not advocate change publicly. Again and again you did not advocate change. Remember those words, because that's what you said to the producers of Saskatchewan and they trusted you on that. They trusted you. So do not deviate from that position. Do not deviate from that position because you do it at your own peril.

Now I digress. I'll get back to the question of this western grain transportation authority. One of the other things that takes place in this NISA account is now you've lost it, you don't know when you're going to get it. And now we're going to roll livestock into that too after '95 with the end of beef tripartite.

You know, this is an interesting scenario. We had beef stabilization where we fed the most amount of cattle in Saskatchewan, or beef stabilization. In 1988 when beef stabilization disappeared, our numbers declined because we went into tripartite. And now tripartite's going to go into NISA so I hate to see what the numbers are going to do after that.

An Hon. Member: — Checked the cow herd lately?

Mr. Whitmore: — I know what cow herd is; I'm talking about cattle on feed. Don't think that the hon. members are talking to someone who doesn't know the business. Don't think that the members opposite are talking to somebody that doesn't know the cattle business. I have been in that cattle business, members. I understand it fully. I have fed cattle; I have polled calves. I know what it's like, so don't tell me that that I don't know.

Mr. Speaker, to get back to the issue . . . And I see I've hit a nerve with these people over here. They're suddenly chirping. They suddenly woke up. Okay.

An Hon. Member: — Maybe they're going to vote on it, ha, ha.

Mr. Whitmore: — Well maybe they are, maybe they are. But I see this proposal of going into the NISA account is simply to see something that is a structure there that could be used. Farmers are not going to be fooled by that. I think the opposition's not going to be fooled by that. And they're caught between a rock and a hard place. Because they know that . . . who's pushing this.

And I outlined, as I outlined earlier, you know what this cost. You know what this cost. It cost a former minister of Agriculture. Bill McKnight was removed because he would not push the method of payment change.

An Hon. Member: — Oh, that's a long bow.

Mr. Whitmore: — Oh, a long bow. Mr. McKnight recognized the deregulation. He recognized the cost

of deregulation in this province and would not push for it. He recognized the meetings that took place across Saskatchewan where 90 per cent of the producers stated that they would not support a change.

But I digress, Mr. Speaker, I digress. I must return to where I wish to end up. Mr. Speaker, I think I've spoken at great length and I appreciate the time that has been given to me today to speak on this issue. But it's important to find, I think . . . I honestly believe there is a solution to these problems. I honestly believe that farm organizations, provincial governments, and federal governments can sit down and find a solution to the problems that exist — a fair system by which we can do it.

And these are the opportunities we need to look at. So with that, Mr. Speaker, I'm very pleased to second the motion brought forward by the member from Shaunavon, and I await with great expectation to hear the comments from the members opposite. Thank you very much. And of course the vote, we must have the vote.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Deputy Speaker. I want to, Mr. Speaker, outline a number of items that I believe are very relevant in this discussion on this motion today.

I have consistently been involved in the discussions for a long, long time, both on the municipal level and on the provincial level. And as the former associate minister of Agriculture, I have had a significant amount of involvement in this discussion and I want to bring that perspective into the discussion here today. And I know that other members of my caucus are interested in talking about this as well so I will be pointed about the things that I have to say.

Mr. Deputy Speaker, there are three things that this government has as an agriculture policy, three things that they have as planks in their agriculture policy — three things, Mr. Speaker. I want to point them out.

One is: save the Canadian Wheat Board. That's the plank of this government over here. It has nothing to do with provincial politics, Mr. Speaker. That's the plank that this government is involved in.

The second plank that they have, Mr. Deputy Speaker, is: the method of payment has to be through the Crow. That's the second policy of this government opposite.

Mr. Speaker, I want to say to the members opposite, they have two items that are federal jurisdiction — two items that are federal jurisdiction.

And I want to point out the third one, Mr. Speaker. And I want to talk about that a little bit today. And that's called the policy in agriculture of offloading on rural Saskatchewan.

The three planks of the NDP government in the

province of Saskatchewan: one, save the Canadian Wheat Board; two, save the Crow payment; and three, offload on rural Saskatchewan.

And, Mr. Speaker, the offloading on rural Saskatchewan is going to cause every person in this province to have a significant reflection on whether they can afford even to have the Canadian Wheat Board, which they're purporting to want to save, or the method of payment on top of that.

That, Mr. Speaker, is exactly where they're at. They're going to offload on the people of the province of Saskatchewan and rural Saskatchewan to the extent that nobody will be able to afford to live in the province of Saskatchewan. That is the reason why they bring this item here to this Assembly. That, Mr. Speaker, are the three planks in rural Saskatchewan development as far as the NDP are concerned.

And, Mr. Speaker, I want to point out a couple of things as it related to what the member from Biggar said. He said that the method of payment was important for the province of Saskatchewan. I agree, it is. The kind of things that go on in the province of Saskatchewan, people all over have said that that's important.

Mr. MacMurphy said to Mr. Blakeney, go in April and go on the Crow in 1982, and it was a dismal failure because these people play politics every time with the method of payment. They play politics every time. And what do they do to the rural people, Mr. Deputy Speaker? They offload on the rural people all over the province. And that's what they have done in health care. That's what they've done in SaskPower utility rates. That's what they've done in SaskTel in utility rates. That's what they've done in SGI (Saskatchewan Government Insurance) and utility and rates all over and across this province. Rural Saskatchewan gets hit.

And top it all off with health care, Mr. Speaker. And the member from Shaunavon talked about health care and was bragging about standing at the front of the meeting in a health care discussion in Eastend, Saskatchewan. Well, Mr. Speaker, they almost ran him out of the building because of his stand at the front. And the Minister of Health is ducking all over across this province.

And I want to say to you, Mr. Speaker, they have three planks, three planks in agriculture. One, save the Canadian Wheat Board, it's motherhood and apple pie across this province; the Crow rate, motherhood across this province; and the third one isn't motherhood, and that's the one they're doing . . . they're pulling the rug out from every rural community in the province of Saskatchewan. That's what they're doing, and that's what they're doing with a consistency, because I believe, Mr. Speaker, that they have predetermined that that's what they're going to do. That's the fundamental question in this motion, Mr. Speaker, the offloading in rural Saskatchewan.

They offloaded on increasing every fee that is

available to be increased — in pasture management, pasture fees for community pastures, breeding fees for community pastures, SaskTel, SaskPower, SGI, all over the place, Mr. Speaker, offloading onto rural Saskatchewan. That's their third plank in their agriculture policy.

Mr. Speaker, I want to point out to the people of the province of Saskatchewan, beware of an NDP government that talks about the Crow and the method of payment, because underneath they're jerking you around. That's what they're doing. They're doing it in every case. They talk one thing and do another.

I want to point out to the people some of the areas that I believe that they're hurting rural Saskatchewan. If you want to go and get your brand changed, Mr. Speaker, if you want to go get your brand changed to register your livestock for branding them for identification — transfer — they raised it 40 per cent, Mr. Speaker; they raised the rates 40 per cent.

Now let's take one for a person who has annual fee for licences for a licensed livestock dealer. Mr. Speaker, they raised that from \$45 to \$100. What kind of an increase is that — 125 per cent or 120 per cent, Mr. Speaker? That's the kind of thing.

They have three planks in their platform, Mr. Speaker: method of payment; they have the Canadian Wheat Board; and offloading, Mr. Speaker — three planks. And the biggest one that the people of the province have seen is offloading.

The member from Biggar talked about him knowing everything that there was about the livestock industry. Well he wouldn't understand one very important thing — that in the pork business every hog that is fed in the province of Saskatchewan costs the producers in this province to feed that hog \$7 extra because they have the method of payment. That's what the pork producers have told us across this province.

And if they would want to have the pork producers respond to the question about method of payment, what would they say? We would like to be competitive in the province of Saskatchewan and we would have the method of payment paid to the producers. That's what the pork producers are saying, Mr. Speaker, and that's what those members don't listen to. And that's what the member from Biggar doesn't listen to either.

There are two sides to the issue of method of payment, Mr. Speaker. And I want this government to know that this government on this side took a stand and said to the producers of the province of Saskatchewan, we'll pay you some extra money for those offsets. And what did we do? We paid it. And what do these people do? They take it off.

(1615)

The member from Shaunavon talked about the cash advance — interest free cash advance for the grain producers. And what do these people do? Oh yes,

they know everything about the livestock industry. They know about the livestock industry, Mr. Speaker, and they're taking the livestock cash advance and making the farmers of Saskatchewan pay interest on that.

They stood all over Saskatchewan and said, the farmer who is a grain producer should have interest-free cash advance. And, Mr. Speaker, this opposition, when they were in government, stood for that as well. That is where we stand on that.

And what do those people do? They take the interest and say, oh you farmers and ranchers who are in the toughest economic times today than they've ever been and they're saying to them, pay the interest, pay the interest. They say to the federal government, don't pay the interest on the grain. But you livestock producers — the pork, the beef, the dairy — all of you fellows, start to pay your way. That's what they say.

When it comes to offloading, these people are beyond description, Mr. Speaker, beyond description. And that is a fact.

I want to point out a couple of other things. If a farming business corporation wants to register its name, they've got a whole bunch of brand-new items that they have to deal with and pay to the business corporations' branch of this government. They've got to pay all over. They offload on every fee, every registration, every service that is provided. They have forced people consistently to pay more.

Mr. Speaker, when it was our responsibility to manage the affairs of this province we said: we will defend the livestock producer in the province of Saskatchewan; we will defend the pork producer that needs to have some help; we will defend the dairymen; we will defend the poultry industry. And, Mr. Speaker, what do this people do? They increase the power rates.

The poultry industry needs the power as much as any major industry in this province, and what do they do? They increase the rates.

The pork producers need the grain from the province of Saskatchewan, and what do they do? They take the livestock cash advance and say, no more interest being paid.

And you say, you have the courage here to stand and say to the federal government, you better pay the interest.

And what do you do to the pork producers, Mr. Speaker? It's appalling what these hypocrites do in relation to the kinds of things that they have traditionally . . .

The Deputy Speaker: — I just want to remind the member that the words we use should not be such as to cause disorder in the House and that language should be temperate and worthy of the place in which it is spoken, and therefore ask the member to mind his language.

Mr. Martens: — Thank you, Mr. Speaker. I want to point out to the people of this Assembly and those that are watching today that there are a number of areas that are very, very significant in what we deal with in the matter of the Crow, and I want to talk about that. But the other members went way off on this other track, and I figured, Mr. Speaker, that they needed to be reminded that they know very, very little about the livestock industry and they know very, very little about the grain industry. And that, Mr. Speaker, that, Mr. Speaker, that, Mr. Speaker, is a fact, even though it is inflammatory and they're disagreeing with it. That, Mr. Speaker, is a fact.

I want to point out something for the Minister of Agriculture and the Minister of Transportation for them to be aware of in the discussion that takes place about the relationship in the Crow and some of the things that have to be talked about. We've had these platitudes passed around for decades, Mr. Speaker, on who stands for the Crow, and who stands for the farmer, and who stands for the method of payment. Well there are some very significant things going on in history too, Mr. Speaker, that have to be identified.

One, Mr. Speaker, it is a fact. It is a fact that the Sask Wheat Pool could not get the Crow method of payment put on the agenda for the federal-provincial discussions in Agriculture ministers, until the member from Estevan decided it was his responsibility to put it on. That is a fact, Mr. Speaker, and that happened, Mr. Speaker, in 1991.

And if the member from Biggar says that we have no position, it is only there, Mr. Speaker, it only there because the member from Estevan who was the minister of Agriculture, at the meeting in Kananaskis, said to the members there, the ministers of Agriculture, put the method of payment as a Crow benefit on the record. And that is a fact. And you can go ask Mr. Isley, you go ask Mr. Findlay, and you ask your buddy in Ontario whether that isn't the fact, and he will have to agree with me, Mr. Member. That is a fact. And that happened in 1991.

Now I want to point out some other things that are of significance, Mr. Speaker. I get fairly exercised when I talk about agriculture and I just want all the members to know that they have a very significant point. They have a very significant point that they want to discuss; we will discuss it.

I want to point out, Mr. Speaker, that there are very serious negotiations that need to take place. And if this Minister of Agriculture and this Minister of Transportation are going to duck and run those discussions, you know what's going to happen to the people of the province of Saskatchewan? They will be short shifted on the volume of dollars that are supposed to accrue to this province because of the traditional entitlement that the Crow has provided to this province. The traditional entitlement, Mr. Speaker, is \$420 million. That's what the province of Saskatchewan traditionally has received.

And if this Minister of Transport, and this Agriculture minister, and this Premier don't talk to the people in Manitoba, and the people in Alberta, and totally ignore them, what is going to happen with their position, Mr. Speaker? They will be eroded. And the reason I say that is very simply this, Mr. Speaker.

The reason I say this, as pointed as I can be, is because the Minister of Agriculture's agenda in the province of Manitoba is to include the pooling process of the grains moving through Thunder Bay to Montreal. He wants to include the pooling of those . . . that payment in the Crow benefit. That, Mr. Speaker, is a fact. And what is going to happen if our Minister of Agriculture, and our Premier, and our Minister of Transport don't take this seriously? They're going to have the erosion of a significant amount of money that traditionally accrues to the province of Saskatchewan. That erosion is going to occur and, Mr. Speaker, if they don't attack it and attack it vigorously, we're going to lose everything that we've got in the Crow.

And you can talk about the federal government being responsible for talking about the change in the method of payment, but I say to you, Mr. Speaker, that two out of the three provinces in western Canada are going to change it whether these three people decide to say no or not. That's what's going to happen because Manitoba has consistently said that they want to have change; Alberta has consistently said they want to have change; and if we're not at the negotiating table, Mr. Speaker, we in the province of Saskatchewan are going to lose. That's a fact.

I want to point out a couple of other things that are of very, very significant . . . significance to the people of this province, and that is that rationalization in the railway industry has taken place over the last 25 years in a very significant way. But you know what, Mr. Speaker? It has been led by the grain companies. I wrote down as the members opposite were speaking. I have had nine elevator closures in my constituency in the last 20 years — nine of them; three railways abandoned. And when did it happen, Mr. Speaker?

Did it happen when the Tories were in power in the province of Saskatchewan? No, Mr. Speaker, it did not . . . (inaudible interjection) . . . Mr. Speaker, the member from Indian Head-Wolseley said yes it did, and I want to point out to him and to the rest of these people in this Assembly, it did not. And I want to point out to them also that when I was a reeve and councillor of the municipality of Sask Landing we had three elevators abandoned in our municipality alone in 1973-74. And do you know what the grain company, the cooperative grain company said we cannot find a economic reason to defend the existence of these three elevators on this line.

And you know what happened, Mr. Speaker? The line was pulled out; the elevators left. And that submission was made and you can read it in the Hall commission if you want to. And the Sask Wheat Pool said we cannot find the economic reason to defend the elevators staying here. That is a fact, Mr. Speaker. And when the municipality was working to defend it the

people today have to haul 35 miles to get their grain delivered. And they have done that since the middle '70s. That, Mr. Speaker, is a fact.

What do you deal with when you're talking about changes in method of payment? Mr. Speaker, we have today a very serious concern being expressed by the people in the southern part of the province. And that serious concern is this, Mr. Speaker. We have wheat and durum moving south at a unprecedented rate. It's moving south in various ways but mainly by truck, Mr. Speaker. And that truck transportation moving south on grain is being delivered by the elevator companies themselves.

And we have raised this question over and over again and so have the producers: why would the elevator companies want to move grain from Saskatchewan into Montana and into North Dakota and throughout the northern states? Why would they want to do that? We have raised that question with the elevator companies. Have the elevator companies come forward with any kind of a solution to this? No, they have not.

The people in the United States are getting a little concerned. They're getting concerned for a number of reasons, and so am I. And I raise this question for the Minister of Agriculture and the minister of transport and the Premier of this province: are those commodities that are moving from Saskatchewan — the wheat and the durum — are they going into the United States and then out of the United States through export enhancement into the international market? Is that what's happening?

And producers in my constituency and in the Shaunavon constituency and Bengough-Milestone and Souris-Cannington and Estevan are all asking that very same question, Mr. Speaker. Is the Sask Wheat Pool, the UGG (United Grain Growers Limited), are they getting export enhancement dollars from the U.S. (United States) government to deliver wheat to Portland in order that they export it into international markets and, Mr. Speaker, in direct competition with the Canadian Wheat Board? This is where the hypocrisy really stinks, Mr. Speaker. That is the ultimate.

If these grain companies who want to have the Canadian Wheat Board as a single-desk selling agency, if they want to have it and they want to defend it and they go move this grain down into the United States and it heads into Portland under export enhancement, Mr. Speaker, is sold into the international market, they are in direct competition, they are in direct competition with the Canadian Wheat Board. That, Mr. Speaker, is hypocrisy. That, Mr. Speaker, is hypocrisy and I think, Mr. Speaker, that it is wrong.

And you want to talk about method of payment, you want to talk about the Canadian Wheat Board. Mr. Speaker, I think we need to talk about having all of the facts put down on paper and all of the facts discussed before we start to point a finger at who's to blame,

because this government has offloaded like I have never seen anybody offload in my whole life in rural Saskatchewan.

And, Mr. Speaker, I know that there are other individuals in this side of the House that want to talk about this issue because it's important to them. And I will give way to that discussion, Mr. Speaker, and therefore I will sit down and allow other members to assume debate.

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, it's amazing the transformation that we've seen in this government in the last little while, this sudden new interest in farm issues. It's absolutely astounding, Mr. Speaker. This government now, after doing the kinds of things that they have done to agriculture in this province, have developed a sudden new interest in agricultural issues. Well, well, well.

The Crow rate, Mr. Speaker, is the thing that they're going to hold their hat on now when it comes to rural Saskatchewan, it looks like. And they have members from Biggar and Shaunavon stand up and tell us all about their sudden new-found interest in farm issues.

Well, Mr. Speaker, maybe we could dwell a little bit on what they've done to agriculture in the past year and a half since forming government, and point out to the people of Saskatchewan and particularly the farm community the kinds of hits that they've had to take at the hands of this government.

Mr. Speaker, when we look down the list, and it's growing daily, it is absolutely astounding that these people can say now that they have an interest in the well-being of rural Saskatchewan, and in particular the farm community. The changes in GRIP (gross revenue insurance program) alone were the biggest single impact in agriculture that's been seen in the last year — absolutely devastating changes, Mr. Speaker, '91 GRIP.

And we've admitted numerous times in this legislature, it may not have been perfect but it was a heck of a lot bigger step forward than this government's '92 program, the disaster that they brought forward as a program, Mr. Deputy Speaker.

(1630)

And, Mr. Deputy Speaker . . . Mr. Speaker, pardon me. We see that the changes are forcing people to re-evaluate their decision to stay in the program. That's what's forcing them to re-evaluate. They look at the program and they say, this program isn't working . . . (inaudible interjection) . . . And the member from Tisdale, he says \$400 million deficit in Alberta. And he's correct. Absolutely correct.

But I would ask that member, Mr. Speaker, where is that \$400 million? Where is it? Where is the \$400 million that the program is in deficit in Alberta? Well I'll tell you where it is. It's in the hands of agriculture. It's in the farmers' hands in Alberta. And that's exactly where it would be in Saskatchewan if we had a

program like that in Saskatchewan — \$400 million dollar injection into Saskatchewan agriculture if we had a similar program.

And these members stand in their place and say, it's no good. Can't put money into agriculture . . .

The Speaker: — Order, order. I'm sure that other members will get into debate later on and I think they should await their opportunity. But let the member from Kindersley speak now.

Mr. Boyd: — Thank you, Mr. Speaker. We'll be looking forward to the member from Quill Lakes' ill-informed contribution to this debate.

Mr. Speaker, as usual he chirps from his seat about his thoughts about . . .

The Speaker: — Order, order. Will the member from Kindersley please return to the debate, the topic at hand?

Mr. Boyd: — I'm trying to get there.

The Speaker: — Well let's go to the debate.

Mr. Boyd: — Well, Mr. Speaker, it is indeed an important issue in western Canada. And it's important that the people of Canada and Saskatchewan look at this issue. It's important that people know the kind of impact that the NDP government has had on agriculture to date, Mr. Speaker.

And when we look at the method of payment, we have to look at it and we have to say, Mr. Speaker, that not everyone shares your view. Not everyone does. You can get a fair degree of support for your thoughts in Saskatchewan. There isn't the same degree of support in Alberta or Manitoba, Mr. Speaker. They don't seem to recognize that agriculture in western Canada is only . . . is made up of other provinces besides Saskatchewan.

And we look at the discussion now, and we wonder, Mr. Speaker, we wonder where the discussion is going. We look in the *Star-Phoenix* of today, Mr. Speaker. And the Minister of Agriculture says in today's *Star-Phoenix*:

. . . if you want to get a good deal for Saskatchewan, you'd better get to the table and start talking about this and agree to some changes, (the Minister of Agriculture) says.

Well, Mr. Speaker, is that not in direct conflict of what his members are saying today? His members are standing up and saying, we don't want any changes. We don't want to do anything. We want to insure that it's going to stay the same. And yet the Minister of Agriculture — and I'll reiterate, Mr. Speaker — he says:

. . . if you want to get a good deal for Saskatchewan, you'd better get to the table and start talking about this and agree to some

changes . . .

That's the quote in today's paper, if any of you want to take the time to pick it up and read it. That's what the Minister of Agriculture said today in the *Star-Phoenix*.

So what do you people say? Your minister says you'd better get to the table and address this concern. And you people stand up and say, we don't want to talk about it. Your minister obviously wants to talk about it now. He realizes that in order to get a good deal, as he puts it, for Saskatchewan farmers, this issue must be talked about and we must be willing to agree to some changes.

Well where are you people? Where are you people in this debate? You've obviously lost touch with what your minister is doing. The members from rural Saskatchewan aren't keeping up with what your Minister of Agriculture is saying. That's what he says in today's paper.

"If we dig our heels in and they put in the things Alberta and Manitoba want, it leaves us high and dry. They have the power; this is federal jurisdiction. We don't have the power to say no. At some point, it becomes a pretty mean game and we have to get in it."

That's what he said.

Well it's high time that this government recognized that they'd better at least be at the table, Mr. Speaker. They'd better at least be at the table and be willing to talk about this, rather than the ill-informed view of a few of these members opposite that say, let's just stay home and hope it stays where it's at.

Your minister realizes, Mr. Speaker, that they must be at the table in order to negotiate. It's high time the other members, the back-bench members of this government, realize the same, Mr. Speaker.

And the Minister of Agriculture, Mr. Speaker, he goes on to say, and I quote from the newspaper here:

Cunningham's best case scenario is that the feds will hold off altering the method of payment until after an election.

Well that's a great thing to hold your hat on, Mr. Speaker. It's a great thing to say to Saskatchewan farmers that we're going to sit back and wait, and maybe the federal election will clear up all this kind of confusion that we've created.

Well, Mr. Speaker, I think that's reprehensible that this government would sit back and hope, hope that an election will decide it for them. People in this province are looking for some leadership. They're not looking for your hopes of what an election will do, Mr. Speaker. The farmers of this province want some decisions made with respect to the change, they want decisions made with what this government's position is going to be. Are they going to be at the table as the minister himself suggests, or are they going to take the

view of the back-bench members — stay home and do nothing.

Well, Mr. Speaker, the minister goes on to say, it's a very insightful article that is in today's newspaper about the minister's views.

The railway companies are getting more and more room to do variable rates and to ship grain around. The adjustments are happening and you can see it by the steel and cement elevators springing up around the province.

The adjustment is happening with or without change.

An Hon. Member: — Whose elevators?

Mr. Boyd: — Whose elevators? That's the question, exactly, Mr. Speaker. Who is it that's putting up these big elevators around the province? Who is it that's building one out at Davidson? Who is it that's building them all over this province right now? These very same people, Mr. Speaker, that said we can't have any change. We can't have any change. And the member from Cut Knife-Lloydminster chirps from her seat about the kinds of change we're seeing in this province, Mr. Speaker, but it is indeed the Saskatchewan Wheat Pool who's building elevators all over this province in anticipation of some changes. And yet they hold fast to the argument that we can't have any change under any circumstances, Mr. Speaker. And yet they are preparing daily for changes. They're preparing . . . Every time we turn around we hear about another Sask Wheat Pool elevator going to be built somewhere — concrete, huge, huge mega-elevators.

And I recall not too long ago — it's an interesting evolution that the Saskatchewan Wheat Pool has gone through — when they had the largest grain handling system for drawing in the grain, and they still do, when they bought out Federal grain company. It was a funny thing, that we absolutely cannot have big, huge terminal-type elevators. That was the discussion. It's wrong; we've got to have small, little elevators placed all over rural Saskatchewan. That was the position of the Saskatchewan Wheat Pool.

And it's an amazing transformation that they've gone through, building these huge terminal elevators all over the province. And it's an amazing transformation as well when you consider that their counterparts in National Farmers Union . . . I'll just relate a little story to you, Mr. Speaker, about their position in all of this. It seems absolutely astounding.

I haven't seen any criticism from them with respect to Saskatchewan Wheat Pool building terminals all over the province — no criticism whatsoever. There sure used to be, though. There sure used to be. When there was an elevator, a large terminal-type elevator built in Rosetown, Saskatchewan about 60 miles from my home, Mr. Speaker, I remember the controversy. In fact I was there that day. It was absolutely amazing when they decided to have the opening of that

elevator in Rosetown.

The National Farmers Union turned out in record numbers that day. They turned out and they stood in the driveway of the new elevator and they said people shouldn't be allowed to deliver grain into this elevator; they shouldn't be allowed to open this elevator; they should be driven away from here and not be allowed to do this, Mr. Speaker.

And then it was later on in the day when the elevator company decided to host a little barbecue. It was interesting to see who was standing at the table first that day, Mr. Speaker. All of the NFUs (National Farmers Union), all of the NFUs that were standing out protesting all day long, when it come time to get up to the table, they were right there. Quick, quick as you could get there for a free hamburger. It was absolutely amazing. Everybody noted that.

Just take an opportunity, Mr. Speaker, to talk to some of the people from Rosetown that were there — and area — that day. They all recognized that. They all tell the same story that I tell about that — the amazing transformation that day of the National Farmers Union once they realized they were getting a little hungry later on in the day.

And I wouldn't be surprised if the member from Biggar was there that day. He was always a great National Farmers Union supporter. Were you there that day? I think that's the question that people would be asking of that member if they had the opportunity. Were you there that day? Did you have an opportunity for a hamburger that day? After the protest was over, did you belly up to the table for one?

And now, Mr. Speaker, when the National Farmers Union . . . when the Saskatchewan Wheat Pool puts on these huge openings of massive-type terminals, ones that dwarf that one in Rosetown today, where's the hue and cry coming out of members like the member from Biggar? Where is that one? Where is the hue and cry — we're going to see the destruction of rural Saskatchewan; we're going to see all those kinds of things that the National Farmers Union said was going to happen. Where is that happening now, Mr. Speaker?

It was absolutely an amazing day in rural Saskatchewan. The National Farmers Union, the most backward farm organization in this country today, and the kinds of things that they're talking about. They've always said that everything is going to collapse the moment we have any change. Can't change this; oh can't do that, Mr. Speaker, it will mean the destruction of the rural way of life.

Where are they today, Mr. Speaker? Where are they today when we see those kinds of things that are happening in rural Saskatchewan today? Where are these people that are standing up and saying they're the voice of Saskatchewan agriculture? Where are these National Farmers Union people when it comes to what's happening today? Well, Mr. Speaker, they're sitting back at home. They don't want to say anything

that may be contradictory towards what this government is doing. They're their blood kin, Mr. Speaker. They don't want any part of exposing this government for what they're doing in agriculture.

Mr. Speaker, it's interesting to see that transformation. It's interesting to see the transformation in the Saskatchewan Wheat Pool. It's interesting to see the transformation of the member from Humboldt. He used to speak on behalf of farmers in this province, Mr. Speaker. He used to stand up and call for help for agriculture, Mr. Speaker. And what does he do now? He quietly allows these kinds of things to go through, Mr. Speaker, the kinds of changes that are absolutely devastating to agriculture.

He allowed the changes in GRIP (gross revenue insurance program) to go through. He allowed the utility rates to go through, the utilities in rural Saskatchewan. And for those of you that are in the city, they have a very, very significant impact on rural Saskatchewan agriculture, Mr. Speaker, absolutely amazing impact.

But, Mr. Speaker, this government's sole agenda when it comes to agriculture seems to be . . . their sole agricultural platform seems to be to point a finger east and say, the federal government has a responsibility, they have to help us out. We don't know what we're doing, so you'll have to help us out. That seems to be the sole plank of their agricultural portfolio, Mr. Speaker. Get some help from Ottawa.

So what do they do? They all load up on a plane, buddy-buddy, gather in all the friends — probably a bunch of NFUs to boot — fly on down to Ottawa, stomp around the Parliament Buildings down there, and demand some action in agriculture.

And what did they come back with? What did they come back with? They come back with a big, fat bill for the taxpayers of Saskatchewan. A big, fat tab is what they ran up that day, Mr. Speaker, and no help whatsoever for agriculture, other than the Premier of this province standing up and saying, we're going to squeeze what we can out of Ottawa and we're going to demand it and we're not going to allow constitutional change unless we get help.

(1645)

Threaten. Threaten the parliament in Ottawa, threaten the Prime Minister, threaten the people of Canada — unless we get help we're not going to do anything in this province; we're not going to allow federal help whatsoever.

An Hon. Member: — Political war.

Mr. Boyd: — Well, a political war. That's what he was going to start. Well where's the war? Where's the ammunition?

The Speaker: — Order, order. I have listened very carefully, although I will admit I was not in the Chair earlier in debate. I do assume that we are on resolution

no. 1, which does say that we should maintain the Crow benefit and ask the federal government not to . . . or to stop its reduction of the Crow benefit rate.

I've tried to put a connection between what the member is saying and the resolution, and I find it very difficult. So I ask the member to possibly get back to the resolution, resolution no. 1.

Mr. Boyd: — Well, Mr. Speaker, the debate that we're hearing today is an important debate and it's finally time, I think, that the government members stand up and say what they think in agriculture. And it's unfortunate that the only thing they can conclude from what they're doing here in agriculture today is that the federal government has to come forward with help.

Well the federal government has helped, Mr. Speaker. The federal government has had significant help for agriculture in the past in this province, Mr. Speaker. And where were the NDP members when that was happening? All they could do at that time was call for more, and cash the cheque, probably, as well.

Mr. Speaker, the kinds of offloading that this government has done make the Crow rate absolutely pale in comparison to what they're doing in agriculture. The changes in the GRIP program alone cost more than the annual subsidy with respect to the Crow rate in Saskatchewan. The changes, the changes in the GRIP program from '91 to '92 are a bigger impact in this province than the Crow rate total for one year in this province, Mr. Speaker.

Interest-free livestock cash advances were done away with, and they stand up and say that the PCs (Progressive Conservative) were against cash advances for grain farmers. Well, Mr. Speaker, who is against cash advances? You are the ones that took them off on livestock, Mr. Speaker. The offloading that you have forced on this province is absolutely astounding, Mr. Speaker.

The decline in rural Saskatchewan is a result, a direct result of the policies of this NDP government, and you'll never be forgotten for those changes, Mr. Speaker.

Mr. Speaker, there are others that would like to enter this debate and I'd allow them to do that at this time.

Mr. Swenson: — Thank you, Mr. Speaker. I realize that time is limited, but there were a few things that twig me a slight bit as I listened to the members, particularly the member from Biggar, as he went through a very wide range of dissertation about all aspects of agriculture in Saskatchewan.

It's amazing, Mr. Speaker, that the member from Shaunavon and the member from Biggar, two relatively new members to the House here, would stand up and give us a history lesson of the progression of the grain industry from the mid-1930s until the 1990s. And I just remind these members, Mr. Speaker, that in the last 50 years, the New Democratic Party

and its predecessor, the CCF (Co-operative Commonwealth Federation) have held power in this province for thirty-two and a half years.

Thirty-two and a half years of sitting on their duffs, Mr. Speaker, when it comes to forwarding agriculture in this province. When you look across the agricultural spectrum here, Mr. Speaker, and they talk about the railroad, they talk about the railroads, they talk about the elevator company, and at the end of the day the member from Kindersley has pointed out the end result — the end result of this great history lesson that we've gotten here.

The end result is, Mr. Speaker, that all of the elevator companies are consolidating. Elevator companies that talked against terminals 10 years ago own 5-million-bushel ones in the city of Moose Jaw. Elevator companies that used to demand an elevator in every town in the province are now abandoning them by the dozen. Railroad companies, Mr. Speaker, are abandoning branch lines. And, Mr. Speaker, at the end of the day which is coming very quickly, in '97 or '98, every farmer in this province is going to be without a Crow benefit.

The reality is, Mr. Speaker, that these people, in thirty-two and a half years as government of this province, didn't diversify this province enough so that when the inevitable day comes, when the inevitable day comes, what's going to be left?

And what we see from them in their budgets, Mr. Speaker, is just a whole whack of offloading. All sorts of taxes, of hidden taxes, are going to smack dab right in the middle of rural Saskatchewan at the end of the day. There's a half a billion dollars of offloading over the next four years by this government.

And you know where it's going to land, Mr. Speaker. It's going to land on the same people that in a few short years aren't going to have a Crow benefit, because these people won't negotiate. They simply want to fall back on the past. They want to talk about history, history that's becoming irrelevant day by day. They want to blame someone.

I mean I really wonder, Mr. Speaker, what's going to happen in this province when the New Democratic Party any longer doesn't have the crutch of blaming the railroad, or blaming a multinational, or blaming somebody else. What in the world are they going to talk about? What is . . . I mean we're not going to see an agricultural resolution come out of this bunch for years, because they won't have anybody left to blame.

The simple fact is, Mr. Speaker, the simple fact is, that times are changing. And what the province of Saskatchewan needs at this point in our history, what the province of Saskatchewan needs is people that are committed to the agricultural sector, committed enough that they will sit down and negotiate, that they will sit down and plan for the future. And there is no plan in evidence, Mr. Speaker, no plan at all, after 18 months from this government.

People in this province in agriculture, Mr. Speaker, want to know where the red meat sector is going to be in the next five years. We've got the biggest cow herd we've had in this province in the last 15 years. Mr. Speaker, that's in spite of the policies brought down by this NDP government, where they have virtually stripped the livestock sector of any support.

And, Mr. Speaker, that thirty-two and a half years that this party's held power in this province has guaranteed that the livestock sector in western Canada exists in the province next to us in Alberta. Because they refuse; they refuse to look at the future. They refuse to see how an important part of the agricultural sector meshes in.

Mr. Speaker, how many flour mills are left in this province? How much value added processing existed in this province on the agricultural side before 1982? Virtually none, because in all the years these people were in power, they all had the attitude of the former minister of Agriculture, Gordon MacMurchy. The Hon. Gordon MacMurchy stood in this House. And I remember it well. Farmers were planting their crops. I believe it was '80-81. And he said: boys, just go out and sow the whole thing wall to wall to wheat. Wheat's going to \$10 a bushel; all you've got to do is sow it wall to wall to wheat. And the Canadian Wheat Board will just look after and make you all millionaires.

Well unfortunately, Mr. Speaker, some people believed him. They sold their cows; they sold their hogs; they didn't do any processing. They sowed it wall to wall to wheat. And we know what the results were, Mr. Speaker. We know what the results were.

And when we should have been doing some planning, when this province had money in the bank, when natural resources were at their top, when there was money available to diversify and to plan for the agricultural community, what did we do? We went and bought a bunch of used holes in the ground. We bought a bunch of used holes in the ground, Mr. Speaker, instead of dealing with the salt of the earth which in this province is the agricultural people, instead of having the processing in place.

Well, Mr. Speaker, I know it's been a very wide-ranging discussion today. And I want to go back to this Crow issue in the way that the member from Biggar talked about farmers in this province being between a rock and a hard place.

Well I'll tell you what, Mr. Speaker, the only rock and a hard place for this party right now is the fact that their federal leader and their federal party, who they're counting on to make the changes that they want, has got less credibility than the people that go out looking for Elvis Presley on a day-by-day basis. That's where Audrey McLaughlin is in the polls today, Mr. Speaker.

Now how do you think Audrey McLaughlin's going to deal with the Crow? You know where she's going to deal with the Crow? She's going to deal from it from opposition. Because that's where she's going to be

after the next federal election. Opposition because the New Democratic Party refused to deal with reality, refused to deal with the future.

There is an opportunity in the next short little while, Mr. Speaker, for about 60,000 farm families in this province to have somebody show some leadership instead of talking about the past all the time. There's an opportunity to take that benefit, whatever's left of it, that Saskatchewan's solution, Saskatchewan's solution isn't dictated to us, isn't dictated to us by the province of Alberta or the province of Manitoba or the federal government.

And that means that the leadership that's absolutely necessary on the Crow issue has to come from this government because it's two more years before this party takes over again in this province, Mr. Speaker — two more years before we're back in a position to show that leadership in agriculture.

Some Hon. Members: Hear, hear!

Mr. Swenson: — And I'm not sure, Mr. Speaker, that farm families can wait that two years if these people don't get on with the job and throw their partisanship aside, throw their unfortunate history aside on this Crow debate, Mr. Speaker, and get down to brass tacks.

Mr. Speaker, I have much more to add to this debate, but at this time I would ask leave to adjourn debate on the issue.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 4:59 p.m.