

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 6, 1978

EVENING SESSION

COMMITTEE OF FINANCE

Department of Health — Vote 32

Item 25 (continued)

Mr. E.A. Berntson (Souris-Cannington): — Mr. Minister, just a quick question to carry on with what the member for Indian Head-Wolseley was talking about before supper. How many of these routine audits are sent out by your department to various doctors throughout the province to check to see if, in fact, there were consultations or services, or whatever, done by these doctors?

Hon. E.L. Tchorzewski (Minister of Health): — Mr. Chairman, we passed a subvote and my officials are not here, but for the member's benefit, I can get it together.

Mr. Berntson: — Good enough. I am sorry. I noticed that we slipped back to that subvote just before supper but that is O.K.

Item 25 agreed.

Items 26 and 27 agreed.

Item 28

Mr. R.A. Larter (Estevan): — I would just like to ask the minister — there is some agitation towards the Saskatchewan government looking at the Manitoba plan. I imagine you have looked at the Manitoba plan. Apparently the Manitoba plan has about from six to ten employees, whereas we have 74. I understand that there is a deterrent fee of up to \$50 per patient on a premium but can you tell me if you have looked it over carefully, and see if there is merit in bringing the cost of our drug plan down by looking at this one quite closely?

Mr. Tchorzewski: — Yes, indeed, we have looked very closely at the Manitoba plan. I have looked at it myself closely and had my officials look at it closely; they had already done it before my term in this portfolio. There are a number of reasons why we believe the Saskatchewan plan to be of greater benefit to Saskatchewan citizens. Before I get into that, and I will not take a long time on it because we debated this already and it is on record in Hansard and the member can look back to that, on the question of employees, the member says six to ten employees in the Manitoba plan; indeed except that they do not publish all their employees. You see, there is one portion of the plan where the employees are signified in their annual report but it does not talk about the employees who do the other parts of the plan, like the part for Social Services recipients and there are about three or four different categories. If you total all that up, you would find that that would be considerably different. Let us look at, for example, the coverage.

In Saskatchewan, only drugs of proven therapeutic effectiveness and high quality are under the plan. In Manitoba, almost every drug you can think of is under the plan. We believe that a publicly funded plan of this kind, or any plan, should at least provide some quality indications. We think that is one of the reasons why it is superior.

In Saskatchewan, in 1976-1977, 334,363 families benefited from the plan. Under the Manitoba Pharmacare Plan, 67,763 families benefited. The costs to residents are considerably different. In Saskatchewan, there is a prescription dispensing fee charge of \$2.45. I think 80 cents of that is picked up. Eighty cents of the total charge beyond that is picked up by the province. In Manitoba, there is not only the \$50 initial charge . . . You have got to pay the first \$50, but also on every drug that is then purchased after that, the client or the patient has to pay 20 per cent of it and that can add up to a considerable amount of money; so even on the financial end of it there is some considerable benefit to Saskatchewan people under our plan, in our view.

You can take certain examples of specific drugs, and I will not give you more than one or two, but I see one . . . They are only by numbers. I do not have them by name of the drug, although I can get them. O.K. if you take 20 prescriptions in Saskatchewan, \$37.80; in Manitoba, \$68, so there is a considerable cost saving as well.

Mr. Larter: — Mr. Chairman, would the minister agree that I believe the druggists that are now taking part in this new plan, that their prescriptions have doubled and tripled. Would you agree with that statement?

Mr. Tchorzewski: — No, I would not agree with that statement.

Mr. Larter: — Would you agree one and a half times?

Mr. Tchorzewski: — No, I would not agree with one and a half times?

Mr. Larter: — Would you agree they are the same?

Mr. Tchorzewski: — Yes, I am informed they are basically the same.

Mr. Larter: — I guess I lost that argument. I'm sorry, Mr. Chairman, I can't help it, he made a funny and I thought I had to laugh, but I would like to ask the minister if this has been brought out in the legislature as well. If he doesn't feel that people like myself, I make as high as \$4,000 or \$5,000 a year, now is there any reason why that these people should have to, why they should get their drugs for nothing or a minimum, when we realize and agree that there are a lot of people that have to have and should have these drugs for nothing? But why, do you include all the people that can well afford to pay for their drugs?

Mr. Tchorzewski: — Well, I guess it's the same philosophy that is applied to our belief, that we ought not to health care premiums or deterrent fees. We said we would provide a prescription drug plan as a government, as a party, which would provide drugs at greatly reduced costs to people. That is happening; it is providing drugs at greatly reduced costs to people. We believe that we should not categorize people according to whether you are in Class A or Class B depending on your income or status in your life or your community. That's the philosophy we happen to believe in. We have tried to develop our programs to fit in with that philosophy. In that approach we also find besides the benefits that I mentioned, another benefit, in that, through the formulary and through the purchasing that is done, in 1976 for example, it is estimated that we saved in the prices we were able to negotiate something in the area of \$4 million just in the price of the drugs alone in the purchase of them.

Mr. Berntson: — Mr. Chairman, I have a feeling I'm wasting my sweetness on the desert air. This has been flogged to death in this House, but we have suggested time

after time after time, this drug plan we have in Saskatchewan, although it gets the job done, is one of the most inefficient plans that could have possibly have been conceived . . . (interjection) . . . the member for Wascana-Lakeview has picked up on this.

The simple fact is the program similar to the program in Manitoba would deliver drugs to the people who needed the drugs in a far more efficient fashion than it does in Saskatchewan and the people who need the drugs would be getting them anyway. Thank you, Mr. Chairman, these people to my right are getting just right out of hand. There is just no question on to it, Mr. Chairman. The Saskatchewan Drug Plan is without a doubt the most inefficient plan that has ever been conceived by a bunch of bureaucrats any place. We have suggested not a Manitoba Drug Plan, but a plan similar to that of Manitoba and it has been flogged to death in this House. We will probably talk about it again some other time, but you know again I say I am wasting my sweetness on the desert air.

Mr. Tchorzewski: — Mr. Chairman, I am not going to debate. The member has made his point. All I am going to say is that the members opposite, the press or anybody who wants to know my position on it, they only need to go to subvote 1 where we spent a great deal of time talking about it and our position is pretty clearly enunciated there.

Mr. J.G. Lane (Qu'Ap): — Just one question. What provisions do you have in the drug plan for 100 per cent coverage for senior citizens? What provisions do you have in the drug plan for 100 per cent coverage for senior citizens? People that are on social assistance, anything in there?

Mr. Tchorzewski: — Mr. Chairman, the provisions are under subvote 11; we have covered that; it is provided for senior citizens, total coverage under the MSD program.

Item 28 agreed.

Item 29 agreed.

Item 30

Mr. R. Katzman (Rosthern): — Could you give me the split — how much for each hospital?

Mr. Tchorzewski: — Mr. Chairman, Mr. Member, for this year that we are working on now, for the Pasqua Hospital, \$3,797 million and for the General, \$2.778 million.

Mr. Lane (Qu'Ap): — Mr. Minister, is there any land to be acquired on the Regina hospital regeneration program and, if so, what is the stage of land acquisition?

Mr. Tchorzewski: — In the case of the Regina General Hospital there is no additional land to be purchased. In the case of the Pasqua Hospital there are negotiations I am informed and I am told between the South Saskatchewan Hospital Centre and the Regina Exhibition Board.

Mr. Lane (Qu'Ap): — There is no private residences to be acquired in the regeneration program at all?

Mr. Tchorzewski: — No further purchases as far as I have been told. There have been some, as you know.

April 6, 1978

Mr. Lane (Qu'Ap): — Of the ones that were acquired were they all acquired by purchase, were there any expropriations at all?

Mr. Tchorzewski: — The Department of Government Services is the agency that's been dealing with this. I am told that there are three properties which have been purchased but it's in the option of the owner of that property to decide whether he wants to settle on this or whether he wants the procedure of expropriation. So there may be three that will go through expropriation.

Mr. Lane (Qu'Ap): — And Government Services is your agency for acquiring the property.

Mr. Tchorzewski: — That's right.

Mr. Lane (Qu'Ap): — Is there anything in the budget, would the regeneration include any expenses for the acquisition of property? Or did it?

Mr. Tchorzewski: — No.

Mr. Lane (Qu'Ap): — That's all under the budget of Government Services?

Mr. Tchorzewski: — Yes.

Mr. R.H. Bailey (Rosetown-Elrose): — Mr. Minister, in light of the same and I suppose this is as good a place to ask it as any, pending the announcement and I suspect it will be a joint announcement by your department and the Department of Social Services, say within a few week's time, and I'm referring to the allocation of a given number of level IV beds in certain hospitals in the province; there may have to be renovations to look after this, will this come under . . . have you made any provisions within this budget for that pending announcement?

Mr. Tchorzewski: — If that's the approach that's taken and, as I said earlier, we are seriously looking at that alternative. We don't anticipate any renovations of any note so it should be not a problem, it would be additional beds and as the member well knows there are additional spaces now. We don't anticipate renovations.

Mr. Bailey: — One final question. Mr. Minister, it is a matter of curiosity in looking at the estimates, as we do have in so many cases a crossing over of departments. In this case it would be a crossing over of expenditures from Social Services into Health. You know, once this program is announced, how are we going to account for the expenditures which is a difficult thing?

Mr. Tchorzewski: — There is no problem because there is no crossing over in level IV. Pardon?

Mr. Bailey: — It will be straight Health?

Mr. Tchorzewski: — Yes, yes.

Mr. Bailey: — O.K.

Item 30 agreed.

Item 31

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Minister, just one question. Would you send me over a list of the grants under grants and assistance of clinical services? Can you tell me where the university grant is included this year, that \$16 million?

Mr. Tchorzewski: — Mr. Chairman, we are having some real difficulty communicating . . .

Mr. Chairman: — Order, please. I sympathize with those that are trying to carry on the debate because I am finding it very difficult on both sides of the House with the small meetings that are going on. It certainly, I know at times, must get boring to all of us but we are doing a business here that should be carried out in the proper fashion and I ask all members to adhere to the rules, please.

Mr. Tchorzewski: — Thank you, Mr. Chairman. I am tempted to disagree with you that Health estimates could be possibly boring, but never mind. I just need a little clarification. Are you looking for the Heritage Fund allocation?

Mr. MacDonald: — If you would mind sending a list, we won't take the time of the House of that subvote 31 and the explanation was not there last year. What happened to the \$16 million?

Mr. Tchorzewski: — Let me first of all tell you in subvote 31 the \$5,061,000 you see there is that component which is, I think, taken out of what used to be in SHSP. It is related to such things as joint appointees at the College of Medicine, academic appointments, salaries for the service component of the medical people who work in the College of Medicine, some for residents and interns, for salaries and expenses for interns. That is what that new subvote is. We will work out a thing that you can make some sense of because that is why it has taken me so long and we will provide you the information.

Item 31 agreed.

Heritage Fund — Vote 32

Item 1

Mr. Malone: — I wonder, Mr. Chairman, if you can explain to me how we can appropriate money from the Saskatchewan Heritage Fund when we don't have a Saskatchewan Heritage Fund. As far as I know, the Bill has not been presented to the legislature yet to set up the fund. It would seem to me that until we have such a fund it would be very difficult to appropriate money from it.

Mr. Chairman: — I think, perhaps, the point is well taken by the member and until we have this cleared by the House, I wonder if they would agree to leave it until a later time.

Mr. Tchorzewski: — Speaking for me, Mr. Chairman, and I'm sure for my colleagues, that's no problem. It's, I think, a pretty good question. We'll stand that one until we resolve it.

April 6, 1978

Mr. Malone: — Mr. Chairman, I haven't been here for all the estimates but have any other estimates gone through in connection with the Saskatchewan Heritage Fund or is this the first time it's arisen?

Mr. Chairman: — They're not to my knowledge complete and we've left standing vote 32. There's nothing in the supplement.

Some Hon. Members: — Hear, hear!

The committee reported progress.

Health — Vote 32 agreed.

SECOND READINGS

Hon. E.L. Cowley (Provincial Secretary) moved second reading of Bill No. 27 — **An Act to amend The Condominium Property Act, 1968.**

He said: — Mr. Speaker, I am pleased to have this unexpected opportunity to deliver a speech in the House this evening on this very controversial topic. I am sure it will be of great interest to the members here — the House Leader assures me that I have lots of time and should, therefore, take lots of time.

Members may recall that a year ago, The Condominium Property Act, 1968, was amended to provide for the development of condominiums in phases. The purpose of this Bill is to revise and expand on that legislation, which came into force on May 10, 1977. Development of condominiums in phases is a method whereby a developer may build additional units on a parcel of land in a condominium, after the condominium plan has been registered. Without phased development, all the units have to be completed before title to any unit be obtained. This requirement holds up the marketing of completed units and creates difficulty for developers financing large projects and for purchasers unique titles to obtain mortgages to finance the purchase of units. Under the 1977 amendment, a developer planning a condominium in phase may do so by filing a caveat against the condominium plan at the time the plan is registered. This Bill does not change that requirements but introduces expanded and more flexible procedures, procedures designed to benefit both the developers and the purchasers.

Under this Bill, instead of a developer filing a replacement plan with a caveat, the developer will file with the caveat a declaration of the development he undertakes to provide, together with a certificate of the Provincial Secretary with respect to the declaration. The replacement plan will not be required until after the development has been completed. This change, with others in the Bill, provides developers with more flexibility. Flexibility is needed because developers are subject to delays over which they may have no control and also to changing demands of the market place. The declaration is a basic and important document because it contains the undertaking of the developer with respect to the next phase of development. The declaration, when filed with the caveat at the Land Titles Office, becomes a public document which the prospective purchaser may examine when he searches title to the unit in which he is interested.

Purchase of units in a condominium to be developed in phases will depend upon the declaration for the undertakings of the developer to provide additional units but

especially additional common facilities not mentioned in the present law. To ensure a measure of protection for the purchases, the declaration must be submitted to the Provincial Secretary for examination and a certificate of acceptance must be obtained to accompany the caveat before it may be registered. The declaration, when submitted to the Provincial Secretary, must be accompanied by a bond of a guarantee company. The Provincial Secretary, if satisfied that the bond is in order and that the declaration adequately described the additional units and the additional common facilities to be provided by the developer, may grant a certificate of acceptance. The developer has two years from the date the caveat is registered to complete the undertaking set out by him in the declaration. However, provision is made whereby a developer may obtain an extension of time or an amendment to the declaration or both. Approval by resolution of the condominium corporation is required, also as in the case of a declaration, an amendment to the declaration or notice of extension of time must be accompanied by a certificate of the Provincial Secretary before registration. The amendment or extension does not become effective until registered.

In the event that the condominium corporation refuses the request of a developer for an amendment to the declaration or for an extension of time or fails to act upon the request, the provision is made whereby a developer, who finds it necessary to do so, may apply to the court for such an amendment or extension of time. An application to the court must be served on the condominium corporation, the clerk of the local authority, the Provincial Secretary and any other party the court thinks fit and each is entitled to be heard in person or by council. The court is empowered under the Bill to make such an order as it thinks just. If the caveat lapses by order of the court or by failure of the developer to carry out his undertakings, all rights reserved to the developer under the caveat cease and the proceeds from the bond of the guarantee company become available for distribution to unit owners for any loss.

A change not related solely to phase development, the Bill redefines buildings so the condominium may consist of single family dwellings. Present law limits a condominium to one building or to several buildings only if connect so as to constitute, in effect, one building. All dwellings or units in a condominium must, of course, be located on one undivided parcel of land.

In concluding, Mr. Speaker, may I say that this Bill is designed to facilitate the development of condominiums and, in particular, phased development by providing greater flexibility along with additional safeguards for the benefit of both purchasers and developers.

Mr. Speaker, I move second reading of Bill No. 27, An Act to amend The Condominium Property Act, 1968.

Mr. G.H. Penner (Saskatoon Eastview): — Mr. Speaker, I have been very impressed with the time killer that we have just had, and I understand from the House Leader, there is a need to stretch out the time. Unfortunately, I wasn't aware that this Bill was going to be read for the second time tonight and I would very much like the opportunity to read through the remarks of the minister and have an opportunity to study and analyze them. I think study and analysis is really very important and because of the need for that I beg leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF FINANCE

Department of Co-operation and Co-operative Development — Vote 6

Mr. W.H. Stodalka (Maple Creek): — Mr. Chairman, before we begin, I would like to move the following motion, seconded by the member for Rosetown-Elrose, Mr. Bailey:

That the committee hereby expresses its appreciation to the co-operative movement on the occasion of their 50th anniversary for their active contributions and participation in bringing about the development of a greater and better Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Bailey: — Mr. Chairman, I'm very pleased to second that motion for a number of reasons even greater than that which was stated in the original motion . . .

Mr. Chairman: — Order. I will check the motion and read it over.

Mr. Bailey: — I'm very pleased to second the motion as I was going to say that 1928, the year that the co-ops got started, was a very, very important year. A number of important people were born that year. So, I have a great deal of pleasure in seconding this motion and I feel, too, that the minister in charge is quite capable of proceeding so I'd be very pleased to get going on item 1.

Hon. A.E. Blakeney (Premier): — Mr. Speaker, I don't think that we would want to let this opportunity to pass without joining with all hon. members in congratulating the co-operative retailing organization. When we look back at the growth of co-operative retailing in this province, we see the growth from very, very small beginnings 50 years ago, to what is a very large organization, certainly the largest retail merchandising organization in Saskatchewan with head office in Saskatchewan, with extensive activities in the four western provinces, which owns a refinery and the only refinery in Saskatchewan, which has forest industry holdings in British Columbia. We look back on leadership which has been quite outstanding. One looks at names like George Irwin and Harry Bowler and Louis Lloyd and many, many others who have been quite outstanding leaders of the co-operative movement in this province. It will be known, I think, to all hon. members that approximately 30 per cent of the total business handled by co-operatives in Canada is handled by co-operatives in Saskatchewan. We are in per capita terms the largest users of co-operatives in Canada; we have the second largest number of members in credit unions and while this is not strictly relevant, the credit union movement and the co-operative movement are very close indeed. And we are by all standards the banner co-operative province in Canada. It is so because of the leadership given by these pioneers of the co-operative movement. I do not wish to exclude those pioneers who came out of the producers co-op side of it, in the Saskatchewan Wheat Pool but this year we honor those who have given such outstanding leadership to retailing and merchandizing co-operatives. I join with all hon. members in extending our congratulations to the retailing co-operative movement.

Some Hon. Members: — Hear, hear!

Mr. Robbins: — I think I should say a few words too, about the 50th anniversary of the co-operative retailing system. I am pretty familiar with this organization — Federated Co-operatives. In fact, I was an employee of the Saskatchewan Co-operative Wholesale

Society prior to there being the Saskatchewan Federated Co-operatives, prior to there being a Federated Co-operatives. I recall the first year I worked in the old Saskatchewan Co-operative Wholesale there were only 15 or 20 employees at the time. Now they are in the range of some 3,000. I recall that in the first year the total sales were less than \$2 million. Last year they were \$762 million.

Down through the years they have, of course, allocated very large sums of money to their retailers in the retail system. There are 424 retailing co-operatives across western Canada at the present time.

I knew the people whom the Premier mentioned very well. George Irwin was the president of Federated Co-operatives and its predecessor Saskatchewan Co-operatives for a fair period of time. He was also the president of the Saskatchewan Co-operative Superannuation Society which later became the Co-operative Superannuation Society, which I had the privilege of administering for some 22 years.

I was very familiar with people like Harry Fowler, who had a lot to do with the setting up of the Co-operative Refinery, which now operates on the outskirts of Regina as you are well aware and is the only refinery operation in the province of Saskatchewan. I knew Louis Lloyd very well. I heard him speak to the 50th anniversary convention of Federated Co-operatives this year, a very inspiring sort of speech; a person who never had very much education, but a person who had learned a lot in his travels through life and attained a pretty high status being president of Federated Co-operatives and that was a person who had an education which was only grade two.

I think it important that we do pay tribute to these pioneers.

Mr. Lane (Qu'Ap): — Are you filibustering?

Mr. Robbins: — No, I'm not filibustering. I'm praising the co-operative movement. I appreciate the opportunity to join in with the members who have already indicated their willingness to pay tribute to the retailing system and its 50th anniversary year.

Some Hon. Members: — Hear, hear!

Mr. J. Wiebe (Morse): — Mr. Chairman, just a couple of brief comments. Something that hasn't been mentioned yet here tonight in the debate on this particular motion and I think the fact that it did come up in the Legislative Assembly and that all members of this Assembly are preparing at this time, hopefully to pass this resolution, to congratulate the co-operative movement on its 50th anniversary.

I think it is important to note, as the Premier mentioned, that there were pioneers in the co-op movement field and the leadership that took place in regard to the co-op movement within Saskatchewan. I think it is important to note, as a Legislative Assembly, that it was a Liberal government in the province of Saskatchewan that first implemented the legislation that enabled the co-op movement to begin and to grow within the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Robbins: — Mr. Chairman, perhaps I should take this opportunity to introduce the officials. I apologize for them not being here earlier. I was down in my office. I should have been up here to check to see how far you had gotten along in Health. When I got a

phone call saying they were ready, then I phoned the officials and they had to come a fair bit of distance. So I apologize. That's my responsibility.

I would like to introduce Mr. Jack Reid who is the Deputy Minister of Co-operatives and Co-operative Development; directly behind him, Mr. Lloyd Lokken who is the director of operations; just to his left, Malcolm MacNeil who is the director of communications and development; and directly behind me, Mr. Tony Heidt who is the director of administration and research; and Lloyd Warkentin, assistant director in research.

Item 1

Mr. J.G. Lane (Qu'Appelle): — I will ask my questions under subvote 1, Mr. Minister, if I can.

On page 6 of the annual report you are referring to the co-operative housing units constructed. You set out the number. I understand as well this could of course be asked under the Sask Housing Corporation. But I would like to know the number of co-op housing that are in default or in fact were abandoned or work stopped before completion?

Mr. Robbins: — Not more than one or two.

Mr. Lane (Qu'Ap): — And where were those one or two, in Regina?

Mr. Robbins: — One in Regina, one in Melville.

Mr. Lane (Qu'Ap): — We are talking about a co-op, a housing co-operative that we are talking about. How many units would be in each of the housing co-ops?

Mr. Robbins: — No, that is not correct. It was simply a single member withdrawing from the co-op in each case.

Mr. Lane (Qu'Ap): — Except your annual report indicates or the number of prospective house builders to drop out of the programs would indicate that there was more than a single individual.

Mr. Robbins: — I think I should point out to the member that all the housing co-operatives actually dissolve once they have completed their houses and that occupants are in their own individually owned houses.

Mr. Lane (Qu'Ap): — That is a difference though, from your statement, that a number of prospective home builders to drop out of the program. In every case did they drop out because of the failure or the changing CMAC guidelines or were there other reasons? And what specific changes in the guidelines caused the concern?

Mr. Robbins: — Perhaps, I should add a little further information with respect to the people who are interested and show up at information meetings, etc. There are always a number that drop out before they actually incorporate. This happens quite often in terms of a group of people who were interested in the probability of building co-operative housing. Once they get into the meeting and find out what is involved some of them drop out before the actual incorporation occurs.

Mr. Lane (Qu'Ap): — Would you supply for me as well, the list of the CMAs responsible for co-op housing, their qualifications, their salaries, and I would like to know and I do not need this right now, Mr. Minister, if you can just undertake to supply it to me, and I

would like to know the number of meetings that each of the CMAs spoke at and the location of those meetings in the fiscal year covered. I am sure you have that on record.

Mr. Robbins: — Officials assure me that we can get that information for you.

Mr. Lane (Qu'Ap): — Now, would you be prepared to supply to the Assembly tonight the terms and conditions that you have offered to guarantee any loan to Co-op Implements in Manitoba, what the terms and conditions the Government of Saskatchewan has placed on any proposed guarantee?

Mr. Robbins: — Well, perhaps I can give you, if I am interpreting correctly, you are saying are there any proposed loans to a co-operative located outside of the province?

Mr. Lane (Qu'Ap): — No, I want to know the proposal that the government has made, the terms and conditions to assist Co-op Implements in Manitoba. And that is the guarantee. I just want to know the terms and conditions that the government is . . .

Mr. Robbins: — Well, I will give you some of the background in terms of the negotiations which are still being carried on. I think it is incorrect to say to you that it is simply to assist Co-operative Implements in Manitoba. It is to assist Co-operative Implements in Saskatchewan as well. There are 30 depots in the province, there are some 300 employees. Half of the machinery business is conducted in this province. There is some \$300 million in Co-op Implements in the province owned by farmers in the province. Half of the membership of that organization exists in the province. Since we found out that Co-operative Implements was having some difficulty financially, and I want to stress to all of the members of this Assembly, that this is something that is very common in the machine industry, and really the problem with Co-op Implements is basically because they have insufficient long-term financing. That is their major problem. If we can simply move that short-term financing to long-term financing, we feel the viability of the organization is there. We have carried on organized negotiations since about last September. We were first notified that the organization was having some difficulty last July. Prior to that they had gone to the Government of Manitoba, I believe in February or March of 1977.

I want to point out that when Co-operative Implements was originally organized in the early 1940s, the governments of the three provinces of the prairies, Alberta, Saskatchewan and Manitoba guaranteed loans to that organization. Those loan guarantees were made in 1944 on long-term basis and those loans were all paid off in 1964. In 1973 the organization built the new plant in Winnipeg. At that time they built a much larger plant with much more capacity in terms of assembling larger machines and their sales climbed very rapidly from 1973 through to 1977 jumping from \$26 million to \$36 million to \$54 million to \$86 million to \$92 million.

In 1976, their sales were \$92 million and they had an earning of somewhere in the range of \$1.5 to \$2 million.

In 1977, it was clearly, it was clear to them that they were getting into some difficulties in relation to the fact that they had budgeted for some increase in sales in 1977, but the rapid downturn in the farm economy with the drop-off basically in price was beginning to affect sales appreciably.

They went to the Manitoba government in March of 1977 and asked for some assistance. No one approached us until July of 1977. We then negotiated with the

April 6, 1978

Manitoba government and we felt we were getting to the stage where we could perhaps supply some long-term guarantees to Co-op Implements. Manitoba election came and the government changed and I'm not blaming the new government. They had to assess the situation and negotiations were then slowed.

Incidentally, from then on though, we tried to bring Alberta into the picture. Now we were consistently told by Alberta that they were not really interested. We were told that in October, November, December, January, February, right up until March. In March we got notification that Alberta was interested and that they would be interested on a proportionate basis in guaranteeing a loan. Two or three times in March and early in April in the current month, we had communications with Mr. Marvin Moore, Minister of Agriculture in Alberta, and there seemed to be a pretty good indication that Alberta would come in. It would be on a proportionate basis with respect to a \$7 million guaranteed loan, guaranteed by the prospective provinces.

Just recently we were notified that Alberta would not come in because they were not satisfied with certain conditions in the arrangements. Then we had further communication with Manitoba and Manitoba had further communication with Alberta as we did as well and I think we were notified again today that Alberta is again having another look at it. So those negotiations are still going on and we feel an agreement will be reached very shortly. I should add, also, that the federal government came into the picture. The federal government is willing to advance \$8 million, the provinces would take up \$7 million in guaranteed loans and the co-operative financing group which currently has about \$20 million in the line of credit lined up with Co-op Implements, would be willing to continue that line of credit but would also pick up about \$8.75 million in preferred shares. This would put them in a better financing position and once that financing arrangement is put in place, we feel the confidence of the farmer members will be returned and the probability of raising more equity capital from the farm members will be improved and that will ensure the viability of the organization into the future.

Mr. Lane (Qu'Ap): — Do I have to repeat my question as to the terms and conditions that the government has submitted or is proposing?

Mr. Robbins: — Insofar as the prairie governments are concerned, it is simply a guarantee of loans.

Mr. Lane (Qu'Ap): — Well, does the guarantee then . . . is it a term of Saskatchewan's participation in the guarantee that there will be more jobs created or some manufacturing done in the province of Saskatchewan or some indication that Co-op Implements will move some of its manufacturing here or will increase its work-force assembly force in Saskatchewan?

Mr. Robbins: — There is no assembly force in Saskatchewan in relation to Co-op Implements at the present time. The manufacturing is all carried out at the Winnipeg plant in Transcona.

Mr. Lane (Qu'Ap): — So the guarantee will mean a protection of the existing network in Saskatchewan but no increase in employment in Saskatchewan.

Mr. Robbins: — No, we look on it basically to protect first of all, the jobs that are in Saskatchewan and there are some 30 depots in Saskatchewan, plus the fact that of the \$600 million of machines that this organization has sold, about half, \$300 million is in the province of Saskatchewan and obviously if the organization went bankrupt or out of

business, it would appreciably depreciate all the machinery's value. It would have a major impact on the farm economy.

Mr. Lane (Qu'Ap): — Well, I would challenge you on that in the fact that an awful lot of that equipment is manufactured by other companies and that would not depreciate the equipment at all.

Part of the financial reorganization of Co-op Implements will mean a closing down of some of the service and retail depots that they have established. How many depots were closed in Saskatchewan under the financial reorganization and how many will be left?

Mr. Robbins: — There were 30 depots and three have closed.

Mr. Lane (Qu'Ap): — How many more will close?

Mr. Robbins: — We do not know for sure. We hope none of them.

Mr. Lane (Qu'Ap): — Is it a term of condition of the government's participation in the guarantee that these depots will be reopened and any jobs lost by the closing will be re-instituted?

Mr. Robbins: — It is our belief that the refinancing will maintain the organization and therefore pending closures, if there were any, would not likely occur. Insofar as the areas that are now not serviced, I know that in one area they were certainly seriously looking at the organization of a local co-operative within the region, which would still handle machines.

Mr. Lane (Qu'Ap): — What security will the Government of Saskatchewan be requiring if the guarantee is proceeded with?

Mr. Robbins: — The same as Manitoba and Alberta — identical.

Mr. Lane (Qu'Ap): — What is that?

Mr. Robbins: — Well, if you want me to go through the whole detail, there are \$4.7 million worth of first mortgage bonds with the factory; there is currently a loan to the Mercantile Bank but that would be wiped out because it would be replaced by the money that comes up in terms of the guarantee, guaranteed under Section 88 of The Bank Act; and behind that there is the \$20 million of co-op financing, and then the guaranteed loans would be replacing, in effect, some of that money that is already there on line of credit.

Mr. Lane (Qu'Ap): — Will the government be taking any additional securities besides those? You have indicated that there were preferences on some of the financing arrangements, that some participants in the arrangements will be taking securities (preference shares I believe). Will the government be getting any preference shares?

Mr. Robbins: — No, we will be getting exactly the same security as the other governments: — Alberta, Saskatchewan, and the federal government. We are not proposing to buy any preferred shares at this time at all. Those will be taken up by the co-op financing group.

April 6, 1978

Mr. Lane (Qu'Ap): — Will the government, as a term of its participation, be requiring any particular individual or Saskatchewan representatives to be placed on the board and, if so, what officials do you have in mind?

Mr. Robbins: — Yes, we will have representation but we have not named that person yet.

Mr. Lane (Qu'Ap): — Two?

Mr. Robbins: — One.

Mr. Lane (Qu'Ap): — Would Alberta have one and Manitoba have one?

Mr. Robbins: — That is correct.

Mr. Lane (Qu'Ap): — And the Government of Canada one?

Mr. Robbins: — Manitoba has selected not to have one on the board but the federal government, Alberta and Saskatchewan would.

Mr. Lane (Qu'Ap): — Have you any assurance that if the guarantees — and if so, what assurances do you have if the guarantees are proceeded with, that the suppliers such as Volvo and Steiger will commence supplies or guarantee a source of supply?

Mr. Robbins: — They have been out of the deal with Steiger for some time, prior to their getting into financial difficulties. They have contacts with Dykes in Germany and Volvo in Sweden; but I must point out that the factory itself manufactures, within the plant, diskers, cultivators, swathers, pull-type combines, completely within the plant itself.

Mr. Lane (Qu'Ap): — What problems are we going to cause then if we are not worried about the tractor line and the heavy equipment line? Are we not in fact giving guarantees to prop up competitors for the Saskatchewan — and I think if Degelman and the smaller ones in Saskatchewan, Morris Rod Weeder for example, which in turn are being supported by SEDCO — this may be a very strange position that we are finding ourselves in as a province if that is the case.

Mr. Robbins: — Other than the amounts, and they are larger amounts, we are in exactly the same position as we were back in the early 1940s when Alberta, Saskatchewan and Manitoba guaranteed loans to Co-operative Implements.

Mr. Lane (Qu'Ap): — Well, obviously we are not in the same position because there have been very, very severe financial difficulties in the interim. The mortgage on the plant, I will assume that the Government of Saskatchewan has the valuations of the plant and the appraisals and could you supply us with the appraisals and who did the appraisals?

Mr. Robbins: — Yes, the value of the plant if you are thinking in terms of the first mortgage bonds has probably tripled that amount.

Mr. Lane (Qu'Ap): — I'm sorry, I didn't hear the answer. I heard the Attorney General's answer to a question but I did not hear yours.

Mr. Robbins: — The value of the plant in terms of the \$4.7 million of first mortgage bonds is probably more than triple that amount.

Mr. Lane (Qu'Ap): — You are saying that as a definite fact, you know that to be true.

Mr. Robbins: — Any appraisal of the factory would prove that to be true today.

Mr. Lane (Qu'Ap): — Now you know better than that, now surely you have got more financial astuteness than that. I ask you again, the appraisals, who did the appraisals and the valuations placed on that plant appraisal?

Mr. Robbins: — The appraisal that was done a year ago put a replacement value of \$12 million on the plant.

Mr. Lane (Qu'Ap): — And the appraisal was done prior the financial difficulties coming to light then I gather.

Mr. Robbins: — It was done last year. They were aware that they were having some financial difficulties at that time, yes.

Mr. Lane (Qu'Ap): — Is it a further term of the guarantee that there be administrative and managerial changes made in Co-op Implements?

Mr. Robbins: — They have already been made.

Mr. Lane (Qu'Ap): — And basically, what changes were made and will there be more as a term of the guarantee?

Mr. Robbins: — The chief executive officer was let go; the comptroller was let go; the president is out of the organization, replaced by a new president and insofar as what other changes may occur in the future, that's a hypothetical thing. I don't know.

Mr. Lane (Qu'Ap): — Well, Mr. Minister, if as you have indicated at the outset of your general remarks setting out the problem, that the problem came from the lack of long-term financing and the fact that the economy and wheat sales or farm income had dropped — those were the reasons that you gave at the outset — why then were these people fired? Was there not in fact some shaky management that caused these problems or are you laying out all of the facts to us for some reason?

Mr. Robbins: — I think with the general conditions plus the confidence of the membership, they made the decision to make the change.

Mr. Lane (Qu'Ap): — Well are you saying then that the change was unjustified because the only reasons for the problems were that the farm economy was down and that they did not have long-term financing? You can't have it both ways.

Mr. Robbins: — Basically, the reason was the downturn in the farm economy but I think you must realize that with this organization, sales were jumping very rapidly. They went from \$26 million to \$36 million to \$54 million to \$86 million to \$92 million in a five-year period after the factory was built. They placed orders for a lot of steel in anticipation of 1977 sales. Sales did not materialize in 1977, particularly in the early part of the year. They had a realization that they had a heavy inventory of steel but once they had that steel there, they pretty well had to process it. So they processed it into

machines. They ended up with a very, very heavy inventory. That's not something that just happened to CI, it's common throughout the industry and all you have to do is look at the statistical facts with respect to some other organizations. Massey Ferguson has suffered a \$38 million loss in the first three months of this year. Now, you can't specifically say whether or not that's the fault of the management of that particular organization. They will probably be able to weather the storm because they are very large but the fact that the general economy is the major factor has to be taken into consideration.

Mr. Wiebe: — Mr. Chairman, I for one cannot understand or comprehend the reason for this type of questioning from the member for Qu'Appelle. You know, I think what we have to look at in regard to what is taking place with federated co-ops or with Co-op Implements and the reasons why we have two different levels of government interested in what is happening is because there are thousands and thousands of farmers in the provinces of Saskatchewan, Alberta and Manitoba that could lose millions and millions of dollars in their investment on farm machinery. That could happen if CCIL goes under. While I may disagree with the concept of helping to bail a company out and not helping to bail a company out and not helping to bail another company out, that's beside the point. The point is that three levels of government, or four levels of government are taking a serious look at protecting the farmers of western Canada. And as far as valuations and guarantees and all this kind of thing. I've got enough confidence in the Government of Alberta and the Government of Saskatchewan and the Government of Manitoba and the government of Ottawa to come up with a fair and equitable deal for the taxpayers of this country when they deal with CCIL in Manitoba. All the member for Qu'Appelle is trying to do, he is on a fishing expedition trying to waste time and waste the taxpayers money of this province by delaying operations in this House. I think what the four levels of government are doing is good on behalf of the province of Saskatchewan. Two of those governments happen to be the same party that he represents and one of them happens to be the party that I represent, another happens to be the party that's sitting on that side of the House. What could be more equitable and fair when three levels of government get together to try to help the prairie farmers and the Saskatchewan farmers.

Some Hon. Members: — Hear, hear!

Mr. Robbins: — Mr. Chairman, I appreciate the remarks of the member for Morse. I said that, in effect, the same thing in the initial stages, there's about \$300 million farm machinery in the hands of farmers in this province and if that organization went out of business, it obviously would suffer a very severe loss. That is one of the basic reasons why we as a government have been very much interested in making sure that it is continued and we're looking at it simply from the standpoint of moving, basically a tremendous amount of short-term financing which is closing in on them into a longer term financing situation. Now I think it is apropos that this government plus other governments show their concern in this regard.

Mr. W.H. Stodalka (Maple Creek): — Mr. Chairman, I would like to move into another area and that's in the area of the Co-op Guarantee Board and some of the things we established here last year. What I'd like to start out with is the Poultry Producers Co-operative in Yorkton. I believe last year it was indicated that there had been guarantees by the Co-operative Guarantee Board to the extent of \$1.3 million and last year when we were in the legislature, they had gone into receivership and there was a question of just how many dollars would actually be lost through the guarantees. Can the minister now give us some accurate assessment as to what the province of Saskatchewan actually lost in the form of those guarantees?

Mr. Robbins: — Your question, I believe is in relation to the poultry producers? The actual loss in that case will be \$850,000 under the guarantees. The potential loss has not occurred as yet.

Mr. Stodalka: — I believe, Mr. Minister, that last year it was indicated by the then minister of Co-operatives that the company would probably be dissolving or the co-operative would be dissolving at that time and they might be disposing of the assets. Is the company not dissolved? Is it still in operation?

Mr. Robbins: — There are still some unsold assets. But they are in the process of cleaning it up.

Mr. Stodalka: — Is the minister prepared to estimate what the final loss will be?

Mr. Robbins: — \$850,000.

Mr. Stodalka: — Moving into another one, which I believe was identified as in financial difficulty last year, that was SM Breeders. There was an indication, I believe also, that they had received \$220,000 plus another guarantee of about \$4,607. Will the minister please indicate the financial position of SM Breeders at the present time?

Mr. Robbins: — The assets have all been sold and the guarantee was taken up when the loss was \$200,000.

Mr. Stodalka: — So we lost another \$200,000 then with SM Breeders. I believe there was also a third one last year that we were considering and that was Western Hyrid. And if I remember I think the amount of the guarantee was approximately 50 per cent of \$425,000. What is the financial position of the co-operative at the present time?

Mr. Robbins: — It is still operating. It is operating under receivership. There is an indication that we would recover our loans in full, if the assets were disposed of. I must point out, I believe, they were the largest hog producers in Saskatchewan and the Department of Agriculture has been involved to some degree with regard to swine specialists going in there and making analysis to see if they can't improve production and improve results. But it's anticipated that if in fact the assets are disposed of, we would recover the loans in full.

Mr. Stodalka: — Are there any further of these co-operatives who have received guarantees, in financial problems at the present time?

Mr. D.G. Banda (Redberry): — Well, Mr. Chairman, listening to the debate this evening, I am not amazed but I am disappointed with the stand that the member for Qu'Appelle, the Conservative members are taking in support for Co-op Implements. I want to congratulate this government and the minister taking leadership once again, supporting co-operatives in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Banda: — Mr. Chairman, Co-operative Implements in this province, as the member for the Liberals Party has stated, has depots and people not only across western Canada, but in Saskatchewan, a farmer owned business that is supplying machinery for

April 6, 1978

the farmers in this area, and I think that we should be working together as a government keeping partisan politics out of this and supporting an industry in this province.

Some Hon. Members: — Hear, hear!

Mr. Banda: — Mr. Chairman, I am amazed when members of the caucus get up from the Conservative Party, as they have done in Manitoba, where they have an industry that employs thousands of people throughout western Canada and they are prepared to let this company go down the drain for the sake of politics. Mr. Chairman, in Saskatchewan the depots are made up of salesmen, mechanics and partsmen, that provides jobs for people in Saskatchewan. We are prepared as a government to work to keep these jobs here, not to get rid of them. I want to say once again that this is just another attack on the co-operative movement in this province by those opposite, and I am prepared to urge this government to continue to keep the co-operatives here and to support them and to grow, not to attack them. Now, Mr. Chairman, I want to say that you members on this side of the House, that the Department of Co-operation should be supporting this industry and I am going to move a motion, Mr. Chairman, seconded by the member for Turtleford (Mr. Johnson):

That this committee urge the Department of Co-operation and Co-operative Development to continue its efforts to assist Co-op Implements financially in the interests of thousands of Saskatchewan farmers.

Mr. Lane (Qu'Ap): — Mr. Chairman, Mr. Minister, I was under the illusion that the member opposite said he was listening during the debate, because that was the assurance he had given to this Assembly. Obviously, he was not listening because one thing that we advocated in the questioning, if you were paying attention, was that if the government is going to put up that kind of money, surely, we should be getting as much as the Co-op Implement manufacturing done in Saskatchewan because the very points that the minister made are exactly the points that we are trying to get across, that 70 per cent of the sales of Co-op Implement are in Saskatchewan. The vast majority of the membership is in Saskatchewan. And that being the case, why shouldn't it be in Saskatchewan? Why shouldn't it be in Saskatchewan? Because the hon. member, if again, if he was paying attention and the same for the half awake member for Morse, when he talked about three levels of government, there were two levels of government, three governments I believe, four governments. The Minister of Co-operations has said that he expects agreement shortly. That will mean, for the information of the member for Morse that two of the governments will be Conservative governments. Somehow, someone is not listening. We believe that Co-op Implements is going to have to be supported but surely . . . I was trying to get from the minister and unfortunately he wouldn't answer, some definitive statements as to what commitments the government was asking for, to get jobs in Saskatchewan.

Mr. Romanow: — He told you.

Mr. Lane (Qu'Ap): — No, as a matter of fact, let me tell you what he said. . . (inaudible interjection) . . . No, you weren't. If you were you were just like the one behind you. You weren't listening.

We are going to maintain the network less the three depots that have been closed. We

are going to maintain the same number of employees, less the closing of the depots. Mr. Minister, I suggest to you that I think it incumbent upon you to make representation to Co-op or whatever procedures you have, to demand and insist that some of this manufacturing be done in the province of Saskatchewan. I am sure the Premier would endorse that because the Premier has made a commitment to this Assembly in 1972 wherein he stated that the moneys that this government was prepared to invest and commit in economic development were for Saskatchewan industries — local industries to serve the prairie basin. What better example do we have than Co-op Implements — what better example?

Now, I would suggest that if that commitment and request were made, that in fact, Saskatchewan would obtain an increase in the number of jobs. I would like to know as well, what studies (and I will ask after we debate the motion) have been made by the government to try to encourage Co-op Implements to come to the province of Saskatchewan where most of its sales are. Perhaps there would be a saving, because I'll tell you — when Co-op Implements announced the expansion of their plant in Manitoba I wrote to Co-op Implements and the answer that came back to me as to why it went into Manitoba instead of Saskatchewan was simply that they thought there was a better labor pool in Manitoba. That was their reason for going into Manitoba. If that is still valid then surely there is a tremendous argument to be made that with that type of government financial commitment by the province of Saskatchewan, that in fact Co-op Implements should be here in Saskatchewan.

I am going to propose an amendment as well, if I can take a second to write it up, that the Government of Saskatchewan make such efforts as are necessary to have Co-op Implements move to the province of Saskatchewan.

I am going to move an amendment to the motion:

That the Government of Saskatchewan make all necessary efforts to encourage Co-operative Implements to move to Saskatchewan thus recognizing that the majority of sales of Co-operative Implements are in the province of Saskatchewan and thus supporting the co-operative movement in Saskatchewan.

I so move, seconded by the member for Souris-Cannington (Mr. Berntson).

Mr. Chairman: — I have a motion before the committee, moved by the member for Qu'Appelle. I have difficulty in finding out where it is supposed to go on the main motion, and looking at it the way it is written here, this is another motion by itself. Therefore, I rule it out of order.

Mr. L.E. Johnson (Turtleford): — Mr. Chairman, while we are . . .

Mr. Chairman: — The member for Turtleford. Sorry, I have a speaking order here. The member for Souris-Cannington next.

Mr. Berntson: — I must put my point of view forward here, seeing that I am very much in favor of the Government of Saskatchewan placing money, along with the other three governments, or at least two government, where most of the CCI people are employed. There are a number of reasons for this and one of them has already been stated, that is, the supply of equipment and parts. Even if you can get parts through other companies,

a company that has sold the machine initially, (if it is reasonably supplying parts), it then makes it much more simple and cheaper for an individual who wants to repair or maintain products. It reminds me that some of the members opposite who have been speaking out of both sides of their mouths saying that they support the co-ops. What they are really saying is that they are prepared to support the co-op if they can make their purchases on credit and receive their dividend in cash. That is what they are saying when they say they support the co-op CI only if it is moved to Saskatchewan . . . (inaudible interjection) . . .

It is craziness to think you can pick up an entire plant and move it into Saskatchewan and do that more economically than to support it where it presently stands. The reason for suggesting this, is to be able to stand on both sides of the fence; say on one hand you support the co-ops and on the other hand line things up so that it is impossible for them to work. This has been done by previous governments in the sense of the pastures and other things, and I do not think there is any real point in going about it in that particular direction.

Mr. Robbins: — Mr. Chairman, a few comments while the member is attempting his amendment. I think he simply shows his abysmal ignorance when he says governments should tell the co-operatives where they should build a plant. Co-operative members make the decision where the plant will be . . .

Some Hon. Members: — Hear, hear!

Mr. Robbins: — The decision to build that plant in Manitoba was made by the members, and government interference would be a totally irrational approach in relation to the operation of a co-operative . . . (inaudible interjection) . . . I note he also suggested that the plan should be moved to Saskatchewan. Well only 20 per cent of the sales are made in Manitoba, about 50 per cent in Saskatchewan and about 30 per cent in Alberta. Is he going to argue that Alberta should get a part of the factory too? That would be just as logical.

An Hon. Member: — How about Versatile? We buy 50 per cent of their products too.

Mr. Robbins: — He did talk about the reason for the plant going to Manitoba and his view was that there was a larger pool of labor in Manitoba. Well I can tell you that that pool of labor has been increasing very rapidly since October 11 because the unemployment in that province has been going up very, very rapidly since the Tory government was elected in that province.

One other point he tried to make — he made the statement at least that government shouldn't be putting any money up unless the plant were here or was creating jobs here. We are not putting up money. It is a guarantee approach to a financial organization and that point should not be missed.

Mr. W.C. Thatcher (Thunder Creek): — We have listened to a great deal of people swearing their loyalty forever to co-ops and taking the oath in blood and, Mr. Chairman, I respectfully suggest to you that talk is fairly simple. It is not very hard to do that. Well you know the Minister of Mineral Resources seems to have quite a bit to say tonight; since he seems to have moved a good deal of his farming operation elsewhere maybe he should be silent for a while. I'm not saying that he didn't make a smart move but maybe he would just let the other side have the floor for a moment.

Mr. Speaker, we have heard members get up and extol the merits of CCIL and the co-op movement in general and some of the speakers, I don't think, have the faintest notion of what they are talking about as far as farm equipment is concerned. Mr. Chairman, there are some very large farms in this province and there is a lot of farm equipment out. There is some excellent farm equipment out. By most standards I am a fairly small grain farmer, I only have occasion . . . we have occasion to pull some 54 feet of disk when we are sowing in the spring. There is nothing special about that; lots of people do it but there is one thing special about the 54 feet of disk that I happen to pull. All 54 feet from one end to the other are CCIL, the G100 type, purchased in Moose Jaw. Now, Mr. Chairman, the point of that is that we have had the people extolling the virtues of CCIL and how wonderful it is, and as I say, I don't think most of you would even know a disk from a swather. Of course we see the Minister of Education nodding his head (the about to be, past tense, Minister of Education I might add) but, Mr. Chairman, the point of the matter is farm equipment is a vastly different proposition than a political matter. Somebody suggested, let's treat this thing as non-political, so let's treat it as a non-political matter.

You try to portray us as anti-co-op and that is total nonsense. Mr. Chairman, speaking from a personal point of view and I am speaking personally now — my family has belonged to the Moose Jaw Co-op for I don't know how many years. We have one of the lowest active numbers around — 1,751. I have taken that number over and I have maintained it. I don't have to swear any allegiance to anybody. I deal with the Moose Jaw Co-op for all the feed supplies for my ranch for one reason, for the best reason in the world — I get the best service out of them and I happen to have the best manager in the Moose Jaw area and I can't think of a better reason to deal with them. I use CCIL diskers up on my farm for one reason — because they put out a good disk — not necessarily the best disk; there are lots of good diskers out. John Deere put out a good one; Massey put out a good one. Lots of them put out a good one and even the member for Estevan's Polaris diskers . . . sorry about that.

Mr. Chairman, there are lots of good diskers out but I happen to be pulling CCIL for one reason. At that particular time I thought they had a good disk and the price was right on them. Now you tell me a better reason for pulling that brand of disk or using it. I make no bones about it. I pull a different brand of tractor; I use a Case tractor for exactly the same reason.

Mr. Speaker, the only point I am making through this preamble is that we, in the Conservative Party, believe very simply in one precept — if the equipment is good; if the product that is going out is of top quality and will do the job and if it is competitively priced, Saskatchewan farmers are going to use it, just as I have. I may choose to change lines next time as has the Minister of Mineral Resources, I am sure, who has brought far more and much larger equipment than I will ever think about. That's fine but, Mr. Speaker, we say only this, that the criteria for judging CCIL equipment should be no different than judging John Deere, Massey Ferguson, Case, Versatile or whatever.

Mr. Speaker, I make no bones that it is a personal opinion on my part and not the position of the Conservative Party. I do not believe that the government should ever come to the aid of John Deere. John Deere can look after itself. If they have got the product, if they are doing the job, they should look after themselves. And I would be standing up here screaming if you were going to help bail out John Deere. Mr. Speaker, I can assure you I would be saying exactly the same thing if this topic of discussion was Massey Ferguson. I do not think it is the government's role to bail out Massey Ferguson. And, Mr. Speaker, I do not think that the government or the opposition in this

legislature is being remiss in their duty when the subject of CCIL comes under scrutiny.

After all, what are we here for? Supposedly, whether you agree with us or not, we are here to scrutinize expenditures on the part of this government. The member for Qu'Appelle has been asking some very legitimate questions from the Minister of Co-ops about the proposed financial arrangements with CCIL. The identical question, I suggest, the Minister of Co-operatives would be asking another minister were he over here. They were good questions. I think the Minister of Co-operatives would agree they were good questions and questions that if the opposition did not ask, he would be the first to say that we were being remiss in our duty. Now, let's quit playing games and let's quit swearing our oath of allegiance to this or that and who is against this. Let's get on with the business of co-operatives. And surely to goodness we should not have to fool around with such a nonsensical motion as this when perfectly legitimate questions pertaining to the Estimate book are being asked.

Mr. Tchorzewski: — Mr. Chairman, I wholeheartedly agree with the member who has just seated himself about not playing games. What we saw and what generated some of this debate were the kinds of games that the member for Qu'Appelle was playing just a little while ago because he was using the old technique that the Tories have clearly established in this House of casting by innuendo and by suggestion, suspicion and doubt and discredit. That is what the member for Qu'Appelle was doing with regard to the Co-op Implements and that is clear to this House. I quite frankly, as one who believes in the co-op movement, as one who has been a member of the co-op movement and one who remains a member object to that kind of an approach. It is clearly the intent of the member for Qu'Appelle to attempt to discredit the Co-op Implements and make sure that it does not survive, in spite of any amendment which he may be moving to the motion now.

Mr. Chairman, there are some declared positions taken by Tory members. There is a declared position just taken by the member who just sat down, who clearly said that he would not support, that he would not be in favor of providing support for Co-op Implements. And that's a fair position for him to take if that is what he wants to take. But he is not the only one. There is a declared candidate in my constituency, and I wish him very well for the Conservative Party, who gives us his reason for running as a candidate. The fact that he objects to any support for Co-op Implements. That is fine with me. I am prepared to campaign on that basis against any candidate, whether it is for the Liberal or the Conservative Party.

Some Hon. Members: — Hear, hear!

Mr. Tchorzewski: — So it is not a matter of playing games like they do over there, Mr. Chairman. You ride the fence on one side and you ride the fence on the other side and you try to run down the middle and depending on whose ear you've got, you make your little speech according to what he wants to hear. I think that the motion we have on the floor right now, Mr. Chairman, is a good motion. I commend the member for Turtleford for moving it. I can tell you that I am going to support it . . . (interjection) . . . Redberry, I am sorry, the member for Redberry. I am going to support it as I know all my colleagues on this side of the House will.

Some Hon. Members: — Hear, hear!

Mr. E.A. Berntson (Souris-Cannington): — I only partly agree, Mr. Chairman, with the Minister of Health that the motion is a good motion, that this committee urge the

Department of Co-operation and Co-operative Development to continue its efforts to assist Co-op Implements financially in the interest of thousands of Saskatchewan farmers. I think that there are just a whole lot of people in the House who have not been listening to the questions tonight. The questions were not related to the merits or otherwise if Co-op Implements or co-op movements or co-op this or co-op that, the questions were quite simply, has Co-op Implements been properly managed? Are we, in fact, taking proper security putting money into this Co-op Implements? The simple fact is we have just come through the five most buoyant years with the exception of last year, that the farming community in western Canada has ever seen and Co-op Implements has found itself in a serious financial situation. The amendment put by the member for Qu'Appelle a while ago, that was ruled out of order, I think is a fair amendment. Subamendment, no, it is an amendment. Since it was ruled out of order then when moved from the member for Qu'Appelle, I moved it, seconded by the member for Qu'Appelle that the motion be amended to read that the following words be added after the word 'farmer' where it occurs in the last line thereof, and that the Government of Saskatchewan make all the necessary efforts to encourage the Co-operative Implements to move to Saskatchewan thus recognizing that the majority of sales of the Co-operative Implements are in the province of Saskatchewan and thus giving strong support to the co-operative movement in Saskatchewan and I might add, in keeping with the Premier's stated policy of investing in Saskatchewan development and to the benefit of the Saskatchewan labor force.

Hon. J.R. Messer (Minister of Mineral Resources) — Mr. Chairman, I want to add a few words to the debate this evening. I listened to the member for Thunder Creek give us his dissertation as to why he supports the co-op movement and won't say that some people for exactly the same reasons perhaps support the co-op movement, that is that they look for the best machinery and they look for the best deal that they may be able to purchase. I suggest that there are a good many co-op members in Saskatchewan who take that even into consideration when they undertake the purchase of farm machinery. But I want to say to him that there are thousands and thousands of farmers in Saskatchewan and in Manitoba and Alberta who think somewhat differently when they undertake to support the co-operative movement.

He makes mention of that 20 per cent in Manitoba and that 50 per cent in the province of Saskatchewan and that 30 per cent in the province of Alberta; and those people are there not only to buy the best deal they can get, they are there to develop something that is distinctly different, something that will supply them with machinery that they are part of, something that will be able to manufacture and supply them with machinery that is manufactured here in western Canada, that recognizes some of the deficiencies and the problems that farmers are encountering with machinery and give them some greater attention in trying to work out those problems. And I know, that in the past it has been a problem for far too many farmers and far too many machinery dealers who are serviced by some conglomerate that doesn't sell a significant percentage of the machinery here in the prairie provinces when they run into problems with machinery that has not been adequately designed. The co-operative movement in the planning and manufacturing and serving of that machinery has undertaken to try and give special consideration to resolving those problems for those people because their livelihoods are depended on that machinery. I'm sure that even the member for Estevan will agree with me that some of those companies like John Deere and Massey Ferguson or Case are not on many occasions very sympathetic to some of the problems that we encounter here.

Now, Mr. Chairman, the key to what the member for Thunder Creek is saying here is that

April 6, 1978

let Co-op Implements go out there and compete with John Deere, Massey Ferguson or International Harvester or with Case. Let this prairie based machinery manufacturing company which is made up of a lot of thousands of farmers who have put their faith and their money into that organization, let them go out and compete with John Deere, or Massey Ferguson or some of those other conglomerates that are based outside of Saskatchewan that are based outside of the prairies, that are based outside of Canada primarily and are not in a real position to compete with them, not in a real position to compete with them in all instances.

I think that the co-op movement and the co-op machinery CCIL should be commended for the kind of implements that they have put on the market and the kind of endeavors that they have undertaken to provide machinery and service that was deficient from the other sectors.

I look at a lot of instances where some of these and the member for Thunder Creek says how about Morris Rod Weeder and how about some of the other smaller machinery operators. There has been a lot of them that went under because they were not able to compete with the giants that moved in on their market after devising and implementing, designing a particular piece of machinery that worked and worked when other companies had not undertaken to provide that kind of machinery. And when they moved in they couldn't stand the pressure or the heat that was mounted by these larger companies fighting patent rights or whatever it may be, fighting mass production.

I suggest that if we would have had some protection for some of those industries, protection that wasn't available to them in the past that they would still be here providing jobs and providing machinery to Saskatchewan and Alberta and Manitoba farmers.

Now, Mr. Chairman, I would only hope that farmers in this province — farmers in the prairies, would have had the opportunity to hear the remarks of the member for Thunder Creek and his colleagues when they say they are undertaking to give some support to the co-operative movement. Having said that on one side of their mouths, they say on the other side that they should be out there competing with some of these other industries who are trying to push them into the ground, and then leave us totally vulnerable to those industries.

I say it is illegitimate that a member who just moved a resolution to say that we should put a caveat on any kind of assistance to Co-op Implements, in that they first have to oblige themselves to move into the province of Saskatchewan before this province will undertake to give them any kind of consideration.

Some Hon. Members: — Hear, hear!

Mr. Messer: — Mr. Speaker, the Minister of Co-ops pointed out that that company is directed by the membership — by the memberships made up, to a large extent, by Saskatchewan farmers — certainly in a majority by Saskatchewan farmers. They decided, some years ago, that it would be in the best interests of the three prairie provinces to establish their manufacturing plant in Winnipeg. That was their decision and I do not believe it is the responsibility of the government, provincially, to interfere with them; as the Attorney General says, to undertake to blackmail them into accepting our terms and conditions before we will advance them any kind of support. That is just not right, Mr. Speaker, and I am certain the member would think twice about undertaking to try to convey that to

that membership. I would suggest, Mr. Chairman, that we undertake to give the kind of support to that movement, that it is in of, if we can jointly attain that with our sister provinces of Alberta and Manitoba. I would suggest that we undertake to be somewhat more honest in saying what it is we are conveying to that movement and that it is not providing money, but a guarantee, a guarantee to give them another chance to provide a service to Saskatchewan farmers when Saskatchewan farmers have, themselves, decided that they are in need of, and have contributed to, and have worked very hard for a number of decades to try to provide.

Hon. A.E. Blakeney (Premier): — I would just like to make one short comment on the amendment. It seems fairly clear that the amendment calls for the Government of Saskatchewan to take all necessary steps to see that Co-op Implements is moved to Saskatchewan. It seems to me that that is a very, very large commitment that members are asking us to assume. Right now four governments have agreed to advance \$15 million to Co-op Implements. Of that amount, something of the order of \$3 million is our commitment and \$12 million is commitments of other governments. We have not a shred of evidence to suggest that any one of those other governments would participate in any proposal which involved moving Co-op Implements to Saskatchewan. We have, therefore, to pick up an additional \$12 million in commitments. We therefore have to, in addition, consider the costs of moving, which may be placed at another couple of million dollars modestly. What members are asking is that we pick up, not the commitment of the order of \$3 million, but a commitment of the order of \$17 million. It seems to me that this is too much to ask us to assume when we already have an opportunity to give all this protection to prairie farmers to have the plant located where the members of the co-operative wished it to be located and where the federal government will put in \$8 million, and the governments of Manitoba and Alberta will put in approximately \$4 million. It seems to me that it is irresponsible to suggest that we ought to not only assume this heavy responsibility ourselves, but also abandon the opportunity to get of the order of \$12 million from governments, not from the people of Saskatchewan (a risk for the people of Saskatchewan), but from the Government of Canada, the Government of Manitoba and the Government of Alberta. It seems to me that the proposal put forward is a sensible one, one which offers the most to Saskatchewan for the least risk and I propose to vote against the amendment and for the motion.

Some Hon. Members: — Hear, hear!

Mr. Malone: — Mr. Chairman, as usual the Premier does not miss an opportunity to try to twist and distort a resolution that is before this House. The resolution and the amendment by the member for Souris-Cannington (wherever he has gone to) does not make any condition about advancing money to Co-op Implements. It does not say that, unless we move to Saskatchewan, we will not advance them any money. All the amendment says is that Co-op Implements should be encouraged to locate in Saskatchewan.

The government opposite, of course, has a rather great record of discouraging industry from coming to this province, be it the oil industry, the potash industry, the forest industry or whatever. But surely the government opposite cannot take offense to the wording of that particular amendment from the member for Souris-Cannington. It says, 'to encourage CCIL to come to Saskatchewan'. Now you say you do not want them in Saskatchewan, under any circumstances? Are you saying if they want to leave Manitoba you cannot bring them here? There is nothing wrong with that amendment, but I do suggest to you, Mr. Chairman, there is something wrong with the members

opposite getting up and trying to twist and distort the words of the amendment. I suggest to members on all sides of the House that there is nothing wrong whatsoever with the amendment. It does not put the government in a position where they have to have a condition met before they advance moneys. All they have to do is do their job of trying to get business to come to Saskatchewan, a job they have not been doing very well since 1971.

I would urge all members, Mr. Chairman, on both sides of the House, to support the amendment and the resolution.

Mr. Birkbeck: — I would like to say a few words, Mr. Chairman. I think there is a question of philosophy and principle involved in this debate tonight. Mr. Chairman, there is no better forum of free enterprise and rewards for individual initiatives and incentives in this province, than the co-op movement in this province. It leads the way in this whole country. For me to sit here tonight and listen to this debate knowing that no other party in this country supports individual initiatives more than the Progressive Conservative Party, and to look at the socialist party across the floor, trying to line itself up behind the co-ops as the only party that is a support of co-ops, (that all other parties are opposed to them), is just downright ridiculous — it is hypocrisy, to say the least. The Attorney General, again, is getting upset whenever I get to my feet — I do not know what I am doing that gets under the Attorney General's skin these days, but it sure gets him going!

That is the principle, and so it is very clear that when the NDP gets up and talks on this philosophy supporting co-ops, they know very well that no one supports co-ops more than the Progressive Conservative Party of Saskatchewan. Now, when our member for Qu'Appelle was asking a few questions of the minister responsible for co-operative development, he was asking some very justified questions. We are looking at the investment of Saskatchewan taxpayers dollars, or, at the very least, a risk of taxpayers dollars in another province. We are asking why did the CCIL Implements get into trouble. Those are legitimate questions. If we are going to invest money, if we are going to back a loan to get them out of trouble and back on an even keel, we would like to have some knowledge of why they got into financial difficulties in the first place, and secondly, naturally, are they going to go that route again, and if so, we should be seriously considering whether or not we are going to place those taxpayers' dollars in jeopardy. Now I think those are reasonable questions for us as an opposition party to be asking in this Assembly, very reasonable questions.

One of the reasons, and I am sure the minister realizes, is that there were managerial problems. He admits that tonight, not very strongly, albeit but he does admit it. I know there was managerial problems — the membership has expressed those concerns to me. The member for Kelsey-Tisdale speaks of the membership and the control that it has. Again, the minister for co-operation suggested that we are saying we should be supporting them, trying to confuse the issue., and I do not think there is any confusion there and quite frankly it has gotten political. The member for Morse jumped in, and as he has been doing quite consistently of late, supporting the NDP all of the time, never questioning whatsoever — I am sure he has got some real concerns in his constituency and I do not blame him for his efforts he is making of late.

Here is the point, Mr. Minister. We have centralization in this government which is causing problems and mismanagement. We have been talking about millions of dollars which unelected officials have been spending, and we are placing that under question. There has been centralization as well and the co-ops to some degree. This

partly has led to some managerial problems. Now I surely don't see anything wrong with us questioning that. We are trying to see that our tax dollars are either risked or spent with the least risk possible and the most return possible. Surely that has to be a reasonable approach. We are supporting a position where we support industry in Saskatchewan to provide jobs for Saskatchewan people, Mr. Chairman. We are surely questioning whether it is a wise decision to be supporting an industry which is located outside of Saskatchewan in another province which is going to provide jobs for people outside of Saskatchewan, again in another province which is going to generate in fact revenue for government coffers, again in another province and not in this province. With the deficit budget which we have ran here for three years in a row, it's a sure thing that we could do with getting some money back in our own provincial coffers. As the member for Souris-Cannington (Mr. Berntson) has alluded to in his remarks, surely through these buoyant years of economic prosperity in the agricultural sector we cannot blame the downfall if you like of CCIL, or those things which, Mr. Minister, you have alluded to. Not entirely. Yes in the last year, 1977. Possibly you can. But what we are trying to emphasize is that there were some managerial problems. We are trying to seek assurances that if we are going to place these dollars in risk, we are not going to lose again. There is no question that we support the co-ops. There is no question that we support the individuals that are trying desperately to compete. Yes, with big business, with the larger implement dealers, manufacturers. We wholeheartedly support a farmer-owned and controlled manufacturing industry. We would like to see it here in Saskatchewan because we've got faith in the people of Saskatchewan, the intelligence and the hardworking abilities that they have shown over the years. We want to set a lead, show the lead in this province. Mr. Minister, let's bring people back into Saskatchewan. We can do that through industry. The Premier in his remarks on many occasions has spoken about how he is going to create industry and keep the economic growth in Saskatchewan stable while other provinces are falling. I agree with those comments that the Premier is making. I agree with him. I am sure he will make those efforts. We are asking you, Mr. Premier, to consider our amendment tonight, where we are doing exactly and consistently with your remarks, trying to bring industry to Saskatchewan to provide jobs for Saskatchewan people. For that reason, Mr. Chairman, I will be supporting this amendment. I urge all members in this House to support it.

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Chairman, I just want to add a few comments to this resolution and to express a little bit of disappointment in the Legislative Assembly tonight. All of a sudden we have a very simple matter which has degenerated into a political dissertation between the NDP and the Conservatives who can jump on the back of the co-op movement the quickest in order to save a few votes. Mr. Chairman, the issue of CCIL is not a question of bailing out the co-op movement, it's a question of protecting the farmers of Saskatchewan. If Mr. Thatcher takes in his CCIL combine that he paid \$30,000 for and attempts to trade it in next year and CCIL is closed, it's worth \$4,000 because not a single implement dealer in Saskatchewan would take it on a trade-in because he'll never be able to find parts to use it again. That's the issue, whether or not we are going to protect the farmers of Saskatchewan or not. The suggestion that Massey Harris should be treated one way, John Deere the other way and CCIL the same way, please let's not kid ourselves. We have been subsidizing CPR, the biggest corporation in Canada, for 50 years in this country. Rolls Royce has been subsidized. Airlines have been subsidized by the Americans as well as railways. Mr. Lowney turned around and begged somebody to open Syncrue. The only evaluation in coming in whether or not we should assist CCIL is for the common good of the people of western Canada. If the common good of the people of western Canada is at stake, the farming community, the value of their machinery and their ability to trade

it in — in fact it could put some farmers under, if all of a sudden he's got a tractor that is a CCIL, ready to be traded in; he's got a combine that's a CCIL and all of a sudden that closes there's no more parts. The value of that trade-in is worthless. Now just exactly what is going to happen? That's right, go back to the days of the Case combine and it's the exact same situation.

Mr. Chairman, what I am suggesting tonight that this is not a question of a co-op movement at all when we talk about CCIL. It's an evaluation of an industry in western Canada that has a very vital concern for every farmer in western Canada and therefore we evaluate it on behalf of the western farmer. If it is necessary to protect their interest by taking a reasonable gamble, which all governments are involved in, then I think, Mr. Chairman, that's the reason we're going to do it. I am also very reluctant to suggest that the NDP should be unwilling to have that guarantee scrutinized very critically by any member of the opposition. Any time we invest a guarantee of the taxpayers' money it should be here and because it happens to be the co-ops we don't put a halo around their heads and say that there should be no examination of it. I think this whole evening has been a wasted evening, an attempt by both political parties on the opposite side and to my left to gain some cheap political points at the expense of the co-op movement and in reality we are here and only considering this particular guarantee in order to protect the western Canadian farmer who may be seriously jeopardized in his livelihood, in his investment and the whole future of his farm because of the collapse of CCIL.

Mr. P.P. Mostoway (Saskatoon Centre): — Mr. Chairman, I just want to suggest that if there are people in this House who have some sympathy with the amendment and I believe there are a number of people who do, but the proper approach is to take an amendment such as that, make it into a motion and bring it up at a co-op annual meeting. That's the place where it should be brought up. It only costs a dollar to join the co-op movement. I say that some of you, particularly the Tories over there, try that approach. Bring it up at an annual co-op meeting. I don't think that this is a place where we should be instructing or suggesting to the co-op movement what they should be doing, because that smells of the heavy hand of government which this government knows nothing about. I am talking about the amendment and I did want to suggest that if the Tory Party is such a promoter of the co-op movement I'm sure that that will come as a real shocker to the gentleman who has announced his intention of seeking ye old Tory nomination in Humboldt.

Mr. Robbins: — Mr. Chairman, I just want to make one or two brief comments. I agree with the member for Indian Head-Wolseley. At the beginning of this debate I said that the basic reason why this province was concerned was to protect the farmers' investment in that \$300 million of CI machinery that is currently on the farms in this province. This isn't going to be a confession like it was for the member for Thunder Creek. I can tell him on our farm we've got two co-op tractors, a large one and a small one, two swathers, a large one and small one, two cultivators, a large one and a small one, two diskers, a large one and a small one, etc.

I want to get back to the member for Moosomin (Mr. Birkbeck) who made some argument with respect to mismanagement he said at CCIL. I think there's really no proof that that was true at all. The sales of the plant grew very, very rapidly in five years, from around the \$20 million mark to \$92 million in a very brief period. It is a lack of adequate financing to carry those sales which created the problem and if he thinks it's only CI that was in trouble, take a look at Massey Ferguson — \$1.847 million sales last year and their profits dropped from \$117 million the previous year down to \$35 million, a drop of

482 million. And I want to point out the Co-op Implements was making money every year until 1977 in that cycle, and over the whole 30-some years it operated it made profits for 22 out of those 30 years. What we are simply saying is, we need an extension of the financial capability of that province in terms of longer term financing rather than short-term financing to give them the opportunity to recover from an immediate crisis.

Mr. Wiebe: — Just a very, very few brief comments. Let me say that I endorse very strongly the comments made by the member for Indian Head-Wolseley which was basically the concept of my comments that I made a little bit earlier in this debate that it is the responsibility not only of this government but the Government of Manitoba and the Government of Alberta and the dominion Government of Canada to protect the interests of the farmers within their particular jurisdiction. It is for that reason it is very important that we vote in favor of the particular motion.

Now, if the member for Moosomin feels that my reason for supporting the farmers in the province of Saskatchewan is that I happen to be supporting the NDP, heaven forbid if that ever occurs. Let me say to the member for Moosomin that if I ever do decide to support the NDP but I will do as the member for Thunder Creek and the member for Indian head or from Qu'Appelle. I will take the high road and I will do it with class and I will hustle my little butt right over on that side of the House. Mr. Chairman, when you see that happen you will then know that I am support in the NDP. Up until that point in time, buster, there is only one party I'm supporting, only one leader and that's Mr. Malone and the Saskatchewan Liberal Party.

Some Hon. Members: — Hear, hear!

Mr. J.G. Lane (Qu'Appelle): — This is no filibuster. I think that an amendment has been placed to a motion and I don't think it is proper for members of the government opposite to take that amendment lightly. You are taking it lightly, obviously, you have been taking it lightly. You have been critical of the principle that this government should be urged to encourage Co-operative Implements to move to the province of Saskatchewan. That's precisely the issue and you know full well it is the issue.

It's a strange thing that we are seeing and I think the Attorney General knows full well. The Leader of the Liberal Party alluded to a couple of other examples of the government opposite pouring a lot of money into jobs outside the province of Saskatchewan. We have seen what the activities have done in the oil industry and you paid money to subsidiaries of Saskoil outside the province of Saskatchewan. You drive the oil industry out of the province adding jobs to the province of Alberta. Your activities in the potash is adding jobs to New Brunswick. They all welcome your economic activities. North Dakota, you may have some jobs in North Dakota.

You know the strangest thing, Mr. Chairman, the strangest thing is that that very party opposite on the federal scene was most critical of the Government of Saskatchewan and INCO saying that the Government of Saskatchewan with INCO was promoting jobs in the Third World and putting people out of work in Canada. Remember the debates in the House of Commons. That was your position then. You were most critical of the Government of Canada. That in fact what it was doing was putting jobs outside. The principle is the same.

I suggest, Mr. Chairman, that that amendment was phrased to get the Government of Saskatchewan to encourage Co-operatives Implements . . .

Mr. Romanow: — All the necessary steps . . .

Mr. Lane (Qu'Ap): — No, no, the Attorney General again is confused. He has had a great deal of difficulty ever since the oil and gas debate last time in keeping his head straight. Because here are the words, Mr. Attorney General: — 'Make all necessary efforts to encourage Co-operative Implements'. Did you read it, did you get a copy? I wonder if the page says fit to give a copy to the Attorney General because I am sure it would make things much easier for him when the vote comes tonight because I know he is going to have some difficulty.

The facts of the matter, Mr. Chairman, are, that with that type of potential involvement by the taxpayers of this province then you owe a duty to the taxpayers of this province to make efforts to get Co-operative Implements and you can't avoid that responsibility.

It is surprising when I ask for the terms and conditions of the guarantee. I very specifically asked the Minister of Co-operatives whether or not he had made that commitment, and he hadn't. I am surprised. I think that efforts should have been made. I think you owe it to every taxpayer in this province to at least try and we are surprised that you didn't.

Now the hon. Minister of Co-operatives made another comment which was surprisingly inconsistent in that there has been some question about the management. He said the management was fine. His position is that management was fine, the very memberships' position was that management is not fine. They got rid of personnel that he listed earlier in debate tonight.

Are you now saying that you are imposing your views on the co-operative movement? That's just what you have accused parties on this side of doing. Are you now saying that your decision that management is fine goes contrary to the wishes of members of co-operative movements. That's precisely what you are saying. We have seen a surprising inconsistency on the government's approach tonight. We see as well, and I am surprised that the Premier forgot about it or deliberately ignored it, the Premier of this province made, in 1972, a commitment to the people that he was no longer going to get into the big glamour projects that he accused the previous government of doing. That in fact he was going to make all efforts to have industry in Saskatchewan that would serve the prairie basin. He made a commitment to the people of this province that he was going to attempt to diversify the economy by encouraging manufacturing industry and businesses that would supply the prairie basin. That was a commitment that was made. I say to you, tonight, that a vote against this amendment is a breaking and a reneging of the commitment made by the Premier of this province, to this Assembly and to the people of this province because every effort by the government opposite, to encourage Co-op Implements to come to the province of Saskatchewan would be a reinforcement of that commitment, which would mean that in fact the commitment made in 1972 is still applicable; but a vote against that amendment is a vote against the word of the Premier of this province to try to encourage diversification and manufacturing and businesses that would supply the prairie basin.

I challenge you. I challenge the members opposite to vote against that amendment and stand before the people of this province and say that they have refused to make efforts to get Co-operative Implements and secondly, that the commitment made by the Premier in 1972 is of no force and effect, because that is what the vote will mean.

Mr. Blakeney: — I just want to make one brief comment. My point is rather simple. We

have to make up our minds as to whether or not we are supporting Co-op Implements or whether or not we are pressing the claims of provincialism.

It is clear, obviously that we would like to have more jobs in Saskatchewan. Members opposite assert that if we are going to guarantee a loan then we have an obligation to see that that industry locates in Saskatchewan. If the Government of Saskatchewan has that obligation, so indeed does the Government of Manitoba, so we will then see the Government of Saskatchewan pulling and tugging at Co-op Implements and the Government of Manitoba pulling the other end. If we have that obligation, so does the Government of Alberta. Then we will see, not anyone supporting Co-op Implements, but everyone pulling it — Manitoba one way, us another, Alberta a third way, and that is the way members opposite suggest that we should support Co-op Implements. That is surely nonsense and we have to decide whether we, as three prairie governments, are going to support this prairie industry which is located in Manitoba. I wish it were located in Saskatchewan but it is located in Manitoba and we have to decide, now, whether we are going to support that prairie industry.

If we are going to take the position that we will support nothing in Manitoba or nothing in Alberta, we may then expect the governments of Manitoba and Alberta to say they will not support the Veterinary College because it is located in Saskatoon. We may expect them to say they will not support the prairie agricultural machinery industry because it happens to be located in Humboldt, and so on and so on.

We have developed, over the last several years, an approach to co-operation, here in the three prairie provinces. We are now asked to support the principle which supports the Veterinary College, which supports PAMI (Prairie Agricultural Machinery Institute), which supports the Veterinary Infectious Diseases Organization, and the rest. Now it is our turn to support something in Manitoba, and just as they have loyally supported institutions in Saskatchewan, it seems to me we should not be narrowly provincial. It is a prairie interest of this industry to survive and prosper and I, for my part, do not want to prejudice that industry simply to obstruct the resurrection and further prosperity of CI, simply to pull at it to see if we can get jobs in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Lane (Qu'Ap): — Mr. Chairman, now the Premier should relax. He knows his obligations to the people of this province as well as the people do and as well as the members of this Assembly. In fact, in 1972 you did make that commitment. Now, the prairie basin consists, I would suspect, of the three prairie provinces. If there is any confusion to the member for northern Saskatchewan we are prepared to go with the definition that may be understandable to him.

When Co-op Implements, according to what the Minister of Co-operation said tonight — I am sorry, what I indicated, that when the new plant was built the reason it went to Manitoba that time was the major expansion in the early 1970's, was because of the labor pool. I would suggest in fact, that if the economic climate had of been sound in Saskatchewan at that time with the majority of the members, we would have had it here then.

Mr. Blakeney: — Good old Ed . . .

Mr. Lane (Qu'Ap): — Yes, that's right. As a matter of fact I must admit Ed Schreyer did a better job of getting Co-op Implements here than Allan Blakeney did, and I suppose that

April 6, 1978

is one thing in Ed Schreyer's favor. But I think you have an obligation as the government of this province, to at least make the effort — and you are refusing, you are very pointedly refusing, to make any effort to try and encourage Co-op Implements to come to Saskatchewan. That is what you are saying. I say you are reneging — you are reneging on a commitment you have made, and I say to the Attorney General . . .

Mr. Romanow: — Wiggle on . . .

Mr. Lane (Qu'Ap): — Oh, wiggle off . . . a little upset. He tried to wiggle on and somebody else is accused of wiggling off, it is not very good, is it, Mr. Attorney General? You know what the rules are — one way — according to the House Leader.

In fact, I think the people of this province are going to want to know what is wrong, and are going to want to know why you refuse to make any effort to get Co-operative Implements into the province of Saskatchewan. That is what the amendment means and that is what the people know it is going to mean, that is what the people are going to be told it means.

Amendment negatived on the following recorded division.

Yeas — 16

Malone	Clifford	Berntson
Wiebe	Larter	Lane (Sa-Su)
MacDonald	Lane (Qu'Ap)	Wipf
Penner	Birkbeck	Thatcher
Stodalka	Ham	Katzman
McMillan		

Nays — 28

Blakeney	Kowalchuk	Tchorzewski
Pepper	Matsalla	Vickar
Thibault	Robbins	Skoberg
Bowerman	Mostoway	Nelson (Yktn)
Smishek	Banda	Allen
Romanow	Whelan	Koskie
Messer	Dyck	Johnson
Snyder	MacAuley	Thompson
Byers	Faris	Lusney
Baker		

Motion agreed to on the following recorded division.

Yeas — 35

Blakeney	Robbins	Koskie
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Pepper	Mostoway	Johnson
Thibault	Banda	Thompson
Bowerman	Whelan	Lusney
Smishek	Dyck	Malone
Romanow	MacAuley	Wiebe
Messer	Faris	MacDonald
Snyder	Tchorzewski	Penner
Byers	Vickar	Stodalka
Baker	Skoberg	McMillan
Kowalchuk	Nelson (Yktn)	Clifford
Matsalla	Allen	

Nays — 9

Larter	Ham	Wipf
Lane (Qu'Ap)	Berntson	Thatcher
Birkbeck	Lane (Sa-Su)	Katzman

Mr. Romanow: — Mr. Chairman, obviously we have some further debate on subvote 1. I would like to say a few words then if that is the case.

Actually, I don't have very much to say, Mr. Chairman. I was going to adjourn the House, I intend to do that. I think that anything that I would say would be a mild understatement of the loud sound of the PCs standing against the co-op movement in this vote that just took place a moment ago.

Mr. Chairman, the fact of the matter is that the members are pointing up at the press gallery. I don't care if the press gallery knows or doesn't know. I tell you one thing what I do care, is that the co-operators of Saskatchewan know. Despite all the protestations of support for the co-op movement when it came down to the crunch, you people weren't prepared to stand with the co-op movement in Saskatchewan and that's the pure bald truth of the matter.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — And it's consistent. You are not prepared to stand with the co-op movement in the health and clinic area. It's consistent with respect to this. So, Mr. Chairman, I think a speech by me is obviously not the most popular thing at this late a night. I don't think it's necessary. I do think it's time to perhaps reflect on the impact here. (Interjection of laughter). Mr. Chairman . . . again I'm sorry to prolong this a bit. I do want to make the point that the members opposite laugh this off because they think it has no impact, that it is of no importance, no importance whatsoever. That's a judgment call they will have to make and explain to the co-op people.

Mr. Chairman, there is no use trading petty insults with that corner of the Assembly. Therefore I move the committee rise, report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 9:51 o'clock p.m.