

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

April 7, 1978

The Assembly met at 10:00 o'clock a.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. W.H. STODALKA (Maple Creek): — Mr. Speaker, I'd like to introduce 40 Grade Nine students from the Gull Lake School to the members of this Assembly. They're accompanied by their teachers, Mr. and Mrs. Arnold Weston and Mr. and Mrs. Gerry Elmslie as well as Mrs. Inga Meister. We realize that you must have been up early this morning in order to be in Regina here at 10:00 o'clock this morning. The member for Morse, Mr. Wiebe, also wishes to welcome you to the Legislative Assembly. We hope you enjoy your stay in Regina and we also hope that you enjoy the experience of being in the Legislature this morning during the question period and we'll be seeing you shortly after the question period.

HON. MEMBERS: — Hear, hear!

QUESTIONS

The Expansion of SEDCO Activities

MR. R.L. COLLVER (Nipawin): — Mr. Speaker, I will address my question to the Premier as soon as he is able to hear. This morning the Minister of Industry announced a reorganization of SEDCO and I would like to quote, if I may, briefly, very briefly from the press release that was issued. First of all, he says that the main purpose of the reorganization is to gear up for the needs of the 1980's when Saskatchewan's requirements for risk capital are expected to increase in scale and range, and Mr. Overend goes on to say this:

In response to the latter priority, (that's the need for risk capital,) SEDCO plans to establish a Regina branch that will be located at but distinct from its headquarters operations. Further branches will be established as regional needs and volumes of business warrant.

My question is this, when did your government make the decision to compete directly with the credit union movement and with Northlands Bank whose stated aim is to do precisely the same thing?

HON. A.E. BLAKENEY (Premier): — Our government had made no such decision.

MR. COLLVER: — A supplementary question, Mr. Speaker. When the decision was made to expand the operations of SEDCO to utilize, to come to SEDCO first, and now to open branches, not only in Regina but throughout Saskatchewan, would that not suggest to you that that is an expansion of SEDCO operations into the exact areas covered by the credit union movement and the Northlands Bank?

MR. BLAKENEY: — It would strike me that is an expansion in activities. It would strike me that it is not in the area, exactly covered by the credit unions or Northland Bank, if indeed, we are now competing with the

credit unions since the Industrial Development Fund was established in 1947. I think that that record of now more than 30 years of happy relationship between the co-operative financing agencies and the Industrial Development Fund and its successor, SEDCO, bears witness to the fact that the relationship was one of co-operation and not of competition.

MR. COLLVER: — Final supplementary, Mr. Speaker. When the decision was made to expand the operation of SEDCO into branch financing, as announced today, and when the decision was made by SEDCO to advertise, 'Come to us first', were those decisions discussed with either the senior officials of the Credit Society or with the officials of Northland Bank before the implementation of such a policy?

MR. BLAKENEY: — Mr. Speaker, I do not know with whom the board of directors of SEDCO may have discussed their proposals. It is certainly no function of the Cabinet of Saskatchewan to decide whether a Crown corporation opens a branch office in some particular part of Saskatchewan if, in the judgment of the board, they feel that it is in the best interests of the business, unless it represents a change of policy. I can detect no change of policy here with respect to SEDCO.

I understand the motive of the questions of the hon. member, who was not here last night, and whose members got him into difficulty with the co-operative movement. I understand his efforts, his rather lame efforts, at extracting himself from that very difficult situation.

Five per cent Reduction in Automobile Licenses

MR. E.C. MALONE (Leader of the Liberal Opposition): — Mr. Speaker, I would like to direct a question to the Minister in charge of the Saskatchewan Government Insurance Office.

The question arises out of a matter that was brought to your attention yesterday, about when the effective date will be on the 5 per cent reduction in automobile licence insurance. Is it not a fact, Mr. Minister, that the effective date of this reduction, the 5 per cent reduction, will be May 31, and that those people who are purchasing new licences when their licences expire April 30, are not going to be taking advantage of that particular reduction that you announced? And it is only those car licences that come up at the end of May will be able to take advantage of reduction?

HON. E. WHELAN (Minister of Consumer Affairs): — Mr. Speaker, I think the announcements that you have in your hand, and I am speaking to the Leader of the Opposition, indicate that the reductions begin in May. That is for renewals that are for those licence plates that expire on the 31 of May. Those licences become valid on the first of June. There was never, at any time, an announcement and it is not possible, because of the computer, to put through the number of registrations that expire at the end of April. Under the regulation, which is clearly stated, (I am sure the hon. member has read it), it is necessary that you renew the April expiry date and that you pay the old rate. If you decide to take out a new licence plate, because you have to be covered when you take it out, it goes back to the rate that applied during the month of April. Do you understand what I am saying?

AN HON. MEMBER: — No . . . (Laughter)

MR. E.C. MALONE (Regina Lakeview): — Supplementary, Mr. Speaker. May I suggest to

the minister that the news release you refer to and which I now have in my hand, clearly indicates that the rate reduction will come into effect May 1, and that those people whose licences expire on April 30 will be expecting that reduction because they will be getting a new licence effective May 1. May I suggest to the minister, is it not correct there will be some 125,000 motorists in Saskatchewan who will not be able to take advantage of this rate reduction? May I suggest to the minister as well, that your statement on March 31, 1978, is clearly misleading and clearly deceptive, because those people feel they will be able to take advantage of the reduction at this point in time.

MR. WHELAN: — The statement is not misleading, and I would rather think that the hon. member is trying to mislead the House. (Inaudible interjection). Because that is not the case. At no time did we suggest that the people whose motor vehicle registration or licence that expired on April 30 — at no time did we suggest they are going to get the reduction. Incidentally, there are not 125,000 people involved; there are about 101,000 in the April group. It is the largest group and because it is so large, it is difficult to feed the rates through the computer on short notice — therefore they do not get the rate. There has never been any indication, never any suggestion at any time, that it was possible to do this, or that we were going to do it. What it says, if you look at the release very carefully, the rate reduction comes into effect May 1 and continues for a full 12 months. The new rate will apply progressively, to all renewals, commencing May 1. That is clear — that is very clear. The renewals that come up in May are not validated and are not a valid registration until the first day of June. But those renewals come up in May; they are May licence plates with a May sticker on the plate — that should be clear.

MR. MALONE: — Mr. Speaker, a final supplementary. The statement clearly says, the rate reductions come into effect May 1, and may I suggest to you Mr. Minister, that a person whose licence expires on April 30, expects it to be renewed effective May 1, and 125,000 motorists are going to expect to take advantage of the 5 per cent reduction. They are not going to be able to get it this year; they may get it next year about this time, (and one can only wonder why it has been put off until next year), but the 125,000 people have been deceived by this particular press release and I suggest to you, Mr. Minister, that you . . .

Details of CRTC Approval

MR. J.G. LANE (Qu'Appelle): — A question to the minister in charge of CPN or the cable problems that we are having. In a statement on March 1 in the Leader Post, Mr. Byers, the Minister responsible for SaskTel indicated that a filter and converter system and equipment had to be developed and then approved by the CRTC. I note that in a statement of yesterday that you have ordered 10,300 converters, but do not expect delivery of the first 500 until May.

My first question is, would you now tell this Assembly the date that the CRTC approved the converters that you have ordered, with whom the agreement was made and detail for us, the agreement and the specific costs of the converter and the company manufacturing it?

HON. N.E. BYERS (Minister of the Environment): — Mr. Speaker, I do not have the specific date that the CRTC gave approval. I do not have the name and address of the company and I do not have the specific price. If he wants information that is that specific (and I'm sure he would not want it unless it was specific) I would suggest that he put it on the order paper.

MR. LANE (Qu'Appelle): — A supplementary, Mr. Speaker. The minister, I believe is in fact saying, that the CRTC doesn't have approval and you don't have the specific information because the issue is one that has been confronting the Saskatchewan public for some time and a matter of great concern.

Now that the CPN will be off the air today, the Attorney General of Saskatchewan said, (and I'm quoting again) 'There is nothing to worry about.' Now, the statement made by the Attorney General would indicate that you have some plans to maintain CPN. Would you tell us what your plans are to maintain CPN during the period it is off the air, and does it, in fact, mean that, with the loss of at least \$100,000 that you have made a further financial commitment to CPN to keep it afloat when the wise decision would be to let CPN go belly up and in fact, let us take our loss and get on with establishing a cable . . .

MR. SPEAKER: — Order!

Dumping of Industrial & Fluid Milk

MR. J. WIEBE (Morse): — Mr. Speaker, a question to the Minister of Agriculture and indirectly, to the Minister of Labour. Some very disturbing news this morning indicated that there is a real possibility of negotiations breaking down and affecting all of the dairy producers throughout the province of Saskatchewan and that possibilities of rotating strikes on Monday are a very real likelihood.

Because industrial milk and fluid milk are perishable products, storage facilities by dairy producers throughout the province are at a maximum of two days. There is a possibility that 700,000 pounds of industrial milk and 1.3 million pounds of fluid milk costing in the neighborhood of \$220,000 could be dumped on the ground each and every day that the strike exists. In view of the fact that this is a perishable product and that negotiations over the weekend could be very, very crucial in regard to protecting this major segment of our economy, can the Minister of Agriculture or the Minister of Labour use, in any way, his influence to try to work towards a settlement during the weekend to avoid this disastrous loss that could take place next week?

HON. G.T. SNYDER (Minister of Labour): — If I might attempt to answer the hon. member's question, I think he will be aware of the fact that one of the senior industrial relations officers with the Department of Labour has been in contact with both of the parties. My understanding is, as a result of a report as late as yesterday from the senior industrial relations officer, Mr. Walters, the negotiations are continuing. He expressed some degree of optimism that a settlement might be reached before Monday. Our senior industrial relations officers do not work on a 40-hour week. Obviously, if there is anything of consequence that can be accomplished by meeting over the weekend, those negotiations will continue to attempt to resolve the problem. I think we have some reason to expect that some progress will be made over the weekend.

MR. WIEBE: — A supplementary question, Mr. Speaker. The comments made by the Minister of Labour, of course, are very encouraging. I think it is, as well, very imperative that we do everything in our effort to avoid any possibility of a strike. Not only do we stand a risk of losing dollars in regard to milk being dumped on the ground but we have a possibility of losing our federal sharing quotas to other provinces in Canada, should the strike go longer than a week. I wonder if the Minister of Labour could tell me who is looking after negotiations on behalf of the government of Saskatchewan and the

Department of Labour to help alleviate some of these problems over the weekend.

MR. SNYDER: — Well, I indicated to you earlier that one of my senior industrial relations officers is the person directly involved and directly responsible for negotiations between the three trade unions involved and the employer organization. Every effort is being made and I am expecting that it will continue over the weekend. I think your question was, who is directly involved on behalf of the government or the Department of Labour. Mr. Sig Walter is the senior industrial relations officer who is in charge.

Motor Licence Office

MR. D.M. HAM (Swift Current): — A question to the minister in charge of the motor licence office. Is the minister aware that there are severe service problems being encountered at the motor licence office, in Regina in particular, especially for those people phoning in for assistance?

MR. WHELAN: — Mr. Speaker, I do not think that that is an accurate assessment of the office. There are eight people on telephones. I understand that this is the time of the year when there are a lot of renewals, more renewals during the month of April than at any other time. This is the April renewal month that we are in now and since there are 101,000 of them that are registered during that month, this is the time when you would actually expect a lot of people to be calling in on the telephone. I understand that our people are there long hours and that they are doing a good job. They operate from a set of instructions that are provided by the Motor Vehicle Registration people. The problem that we had last year, when everyone was switching over, was much greater.

The number of complaints that we are getting — I think there are bound to be complaints because it is a change, even a change in terminology which you probably caught in the question period. The people who are asking the questions here are used to the old terminology, while there is a different terminology being used. That has to be related to the public and I think it is something that has to be explained. Sometimes the complaints that are made are really complaints where the public is not accepting the new, sort of, terminology rather than criticism of those who are handing it out.

MR. HAM: — Supplementary, Mr. Speaker. My sympathies to the office staff, Mr. Minister. This problem has been going on for longer than just the last month. Is the minister further aware that frequent phone calls, if the phone is able to be answered, must ring more than 20 times, many times, and usually left on hold for up to 15 minutes? What steps are you taking to rectify this poor service?

MR. WHELAN: — We have increased the number of full-time phone people to eight, at one time it was four. If that is happening at the present time I would be very surprised because I haven't had a complaint like that. If people, as a general rule, can't get in on a telephone they phone me. I know what happened last year and I know what is happening this year. I don't think the two situations are comparable at all.

Redevelopment Project in Weyburn

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, I wonder if I might direct a couple of inquiries to the Minister in charge of Municipal Affairs.

Is it a fact, Mr. Minister, that the downtown redevelopment project in Weyburn is now in your department, has been pulled out of Government Services where it would ordinarily be, because it had been flubbed so badly and that, in fact, some firings have taken place in Government Services over the matter?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, the downtown development of Weyburn is going extremely well. I think if the hon. member inquires of the city council in Weyburn they will assure him of that.

With respect to the management of that project, so far as this government is concerned, the management has been in the hands of Mr. Harold Jones for some time as the co-ordinator of the project. Mr. Jones is working with Government Services and is working with the Municipal Affairs Urban Division. I am very pleased with the progress on that project as a matter of fact.

MR. MERCHANT: — Mr. Speaker, would the minister indicate whether it is, in fact, true that the matter was taken out of Government Services? If that is true, why was the rather strange transition made from Government Services, where it began? Would you also indicate whether it is true that two separate architects were hired and that you now face litigation because one or the other of the architects has been dumped off the job and you face the prospect of paying for both because of the stupidity of hiring both in the first place?

MR. MacMURCHY: — Mr. Speaker, it was never taken out of any place. It was placed in the hands of Mr. Jones, as I indicated, as the co-ordinator of the project.

With respect to architects, I have no knowledge of the matter raised by the hon. member. I can inquire, but to my knowledge, in the area of hiring architects, I don't think we are yet that far. We are in the process of the purchase of land; we are in the process of negotiations with developers and with commercial people, but I don't think we are so far as to having architects and drawing up plans but I will look into that matter and I can report to the hon. member on it later.

MR. MERCHANT: — Mr. Speaker, I noted that the minister had to refer to the former minister in charge of the project and I wonder if you would confirm that in fact it was within the responsibility of the Minister of Government Services and the date when the transition was made from the ministry of Government Services to your ministry?

MR. MacMURCHY: — Mr. Speaker, I may refer to hon. members here on matters other than the hon. member raised. It may have been that I was talking to the hon. member to my right here on other matters. I might have even been asking him the time of day.

With respect to the development of the project, so far as the ministerial level it has been a project that Mr. Shillington, the Minister of Government Services and myself have handled right from the beginning, in terms of the ministerial level.

Now I have forgotten . . . if I haven't answered the hon. member's question adequately . . . the latter part of the question he may raise it with me again. All the laughter from the other side has distracted me and I am very sorry for that.

Driver Testing Appointments

MR. D.M. HAM (Swift Current): — Mr. Speaker, I too have a question for the Minister for

Last Mountain-Touchwood, because I believe he is in charge of the motor license testing office.

Last session I asked a question about changes in the driver testing. I understand there are still severe delivery problems and the procedure for driver road testing, especially in Regina. I understand that all applicants are required to meet at 8:30 at the test office, be assigned their time for testing and in most cases make a second trip back to the office. Does the minister not feel the system is causing great inconvenience to the public?

MR. MacMURCHY: — Mr. Speaker, with respect to the driver testing program and the issue of the scheduling of tests, normally the procedure is to allow a test, as I understand it, for an hour. Sometimes, I am told that tests in fact do take longer than an hour, depending on the situation and therefore the scheduling gets out of whack.

With respect to the problem of backlog, I think the Highway Traffic Board tries to monitor that and attempts to add additional staff when it is required, on a temporary basis in order to meet the backlog. While there were complaints raised with me during the summer, I think there was an attempt made to cover that off; I think in fact that it was covered off, and we attempt to meet it as the needs arise, usually drawing on driver training people who are available to us during summer periods when they are not working in the schools.

MR. HAM: — A final supplementary, Mr. Speaker. Would the minister not admit that a return to the appointment system would prevent applicants finding it necessary to make a second trip?

MR. MacMURCHY: — Well, I think that there could be a better system of appointments but I think I pointed out to the hon. member, that sometimes appointments are hard to keep in terms of time frame because of different situations with drivers. For instance, the testing of a school bus operator can vary extensively. It could be a new operator; it could be an experienced operator, and the time frame would obviously be different so the scheduling becomes somewhat of a different problem in light of that.

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, the hon. member for Wascana requested information the other day with regard to hedging and sinking funds. Mr. Speaker, a two-hedge on the foreign currency loan is normally arranged at the time that the loan is arranged. The hedge involves purchasing foreign currency in the amount of the loan for delivery on the maturity date of the loan. This protects the borrower from losses as a result of foreign currency fluctuations. Unfortunately, Mr. Speaker, purchases of foreign currency in the forward market are for the most part, one year or less. Sometimes it is possible to arrange for forward purchases for a longer period of time but I am led to believe that this opportunity occurs irregularly and would not exceed five years. In any case I should point out that hedging normally involves some cost, a cost which is related to the term of the forward purchase. The cost of hedging, while it protects the borrower from exchange rate fluctuations, erodes the interest rate saving by borrowing in US dollars.

Mr. Speaker, the province's US dollar obligations are long-term. For this reason it is not possible to buy US dollars forward to provide a hedge. As I have said previously, Mr. Speaker, the difference between the Canadian and US interest rates provides sufficient protection for a hedge against likely long-term movements in the exchange rate.

Mr. Speaker, with regard to the sinking funds, I would like to inform the hon. member for Regina Wascana, that Saskatchewan has maintained a very prudent sinking fund policy to assist us in debt retirement. As of March 31, 1978 the par value of Saskatchewan sinking funds was approximately \$215 million. For the recent long-term loans arranged in the United States, an amount of 1 per cent of the debentures outstanding is set aside each year during the term of the debentures for the purpose of retiring the debenture at maturity. A 1 per cent annual contribution to a sinking fund compounded annually, at current rates of interest will accumulate to more than the principal amount of the original loan. The Saskatchewan Financing Fund policy provides some opportunity to protect ourselves from foreign exchange fluctuations when the US Pay Security are a relatively good investment.

Mr. Speaker, I am prepared to give a copy of that to the hon. member.

MR. MERCHANT: — Mr. Speaker, I asked the minister whether he is not aware, and I trust that you would be aware, that you can hedge for one year for about .5 per cent. I suggest to the minister that the hedge that would have been involved, the renewal of the hedge on the \$44.5 million would have cost about 1 per cent and would have saved the Saskatchewan taxpayer about 12 per cent. I also ask the minister whether you recall saying in this House in answer to questions posed by me and by the member for Thunder Creek when he was still a Liberal, in your response about a year ago that these loans were taken on the faith that you had that the dollar wouldn't decline beneath about 90 cents and that as long as it was above 90 cents it was a good deal. I ask you whether you would not agree that now it has been turned out to be a very bad deal and that the borrowings by hindsight (admittedly) but many people in the money market could see that far ahead, that your borrowings have been very inopportune and very bad for Saskatchewan?

SOME HON. MEMBERS: — Hear, hear!

MR. SMISHEK: — Our borrowings are for a 30 year period and I am confident that over that 30 year period the Canadian dollar with the American dollar will probably average out at a par rate and when you consider the preferred interest rates that we get it from United States we will be money ahead.

WELCOME TO STUDENTS

MR. A. THIBAUT (Kinistino): — Mr. Speaker, this morning I would like you, Mr. Speaker, and the members of the Legislature to welcome here a fine group of high school students from the Wakaw High School. They are led here today by their teacher, Mr. Ben Heppner and their bus driver, Mr. Ron Thompson.

Wakaw is the largest town in my constituency and it's a very active place. The students started very early this morning to get here and I know that their experience here will be a wonderful one, a pleasant one and I also want to wish them a very safe journey home.

HON. MEMBERS: — Hear, hear!

MR. D.H. LANGE (Bengough-Milestone): — Mr. Speaker, I would like to introduce a group of Grade Eight students, 21 in number, who are situated in the Speaker's Gallery. I can hardly see them from here but I presume that they are up behind the clock. They are from Gladmar School. Gladmar, as you know, is a community situated very close to the American border, one of the southern-most communities in the province no doubt.

It is basically an agricultural community and it is also extensively involved in the production of sodium sulphate.

This group of students is accompanied by their principal, Mr. Tom Bowan; by chaperons, Mrs. Frischolz, Mrs. Melle and by their bus driver, Mr. Mack. After they visit the Legislature they are also going to visit the government Energy Conservation House. So we hope that they enjoy their trip to Regina, hope that they enjoy the proceedings of the Legislature. They are going to observe the Legislature for one half hour and then we are going downstairs for coffee and then we'll tell them how the Legislature really works.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I too, want to take this opportunity through you and other members of the House to introduce a group of students from the community of Windthorst on No. 16 highway, east of the city of Regina. There are 25 in number, in Grade Eleven and are accompanied by Mr. Brian Kunz and Miss McArthur, the chaperon.

I would like to say that this community and this particular school has always followed with a keen interest the affairs of the Legislative Assembly. They are yearly visitors and I want to take this opportunity to wish them a pleasant day and I hope they enjoy the proceedings of the Legislature this morning.

HON. MEMBERS — Hear, hear!

Points of Order on Question Period

MR. MALONE: — Before the Orders of the Day, I wonder if I could rise on a Point of Order coming from the Question Period. It is a rather minor thing, Mr. Speaker, but I draw it to your attention in any event. It is your policy of indicating a final supplementary — that is, before the member asks the question, you say 'final'. I can appreciate why you do that, to put the member on notice that it is the last question he has to ask. I wonder about the advisability of it, Mr. Speaker. Firstly, there may be something accruing from the answer that the question is directed to which would open up another supplementary that if you decide what is final, it cuts the member off from asking the other supplementary. The second point is, that it puts the government members at somewhat of an advantage, in that they know they cannot be asked another question, because that question is the last one, thus they tend to make speeches. Indeed, the Premier waxed rather eloquently this morning, when he knew it was the last chance for him to respond. I put that to you, Mr. Speaker, to see if you would consider your position on it — perhaps not indicate final supplementary until after the answer has been given.

Another Point of Order if I may, Mr. Speaker, draw to your attention. That is the matter of ministers having given notice of a question, coming in at a later date and responding to the question. I realize that's within the rules to do during question period, but it seems that when you have a fairly long answer like today — which we received from the Minister of Finance — it cuts very much into the question period time. I wonder if there is any possibility of having those answers given during Ministerial Statements, or if the Rules Committee would review that prospect, Mr. Speaker.

MR. SPEAKER: — I thank the member for his comments on the two topics that he raises. With regard to the Speaker saying 'final', in some cases it is readily apparent to me what

is going to be final, regardless of what comes up on the supplementary, because for some other reason I may be deciding that the member's question rather lacks urgency, or something of that nature. I am going to cut him off anyway, therefore I say 'final' so that they can put their best foot forward on whatever supplementary they are on. I do not, very often, let it go beyond two supplementaries — occasionally — but not very often.

I try at all times to curb minister's appetite for making speeches, as I do to members asking questions from making speeches. I have trouble on both sides of the House every day on this subject. I do not know what the answer for it is, except to keep attempting to police the matter, and I would hope that ministers will not give long answers, and that members not ask debatable questions, because the one encourages the other.

With regard to the answer coming in later, I think we have dealt with this before . . . and I would ask ministers when they are bringing answers in later to keep them brief and to the point. I let the minister go on on this particular answer today because it seemed like a fairly important question and he was answering two aspects of a rather important question, I thought, at the time it occurred. Even though it was past the time of question period I allowed one supplementary to attempt to tie it together. Ministers, I think, have a tendency (I notice this when they come in with a prepared answer) that it is usually longer than the answer they might give in the House. I would ask them to delete any extra verbiage in the answer. I realize today it might not have been possible. But on some other answers that come back prepared I realize they are a bit long.

Any other points of order?

MR. BYERS: — Mr. Speaker, I rose to reply to a question because I understood that when we gave leave to introduce students that we were returning to the question period.

MR. SPEAKER: — No. I am sorry if I give that impression. But when I ask leave to allow members to introduce students, the question period had already run over three minutes, over the 25 minutes, so I wasn't going to take any more. Perhaps the minister can bring it in next opportunity.

ADJOURNED DEBATES

Second Readings

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Faris that Bill No. 22 **An Act respecting Elementary and Secondary Education in Saskatchewan** be now read a second time.

MISS L.B. CLIFFORD (Wilkie): — Mr. Speaker, I have listened with interest to the 'Faris-wheel approach' of the government on Bill 22. I listened intently to the member to my left, the education critic for the PCs and was amazed by the apparent shallow level of his reasoning. But, however, that is typical of the members to my left and particularly that member.

The member for Maple Creek (and our education critic) very eloquently stated a number of our concerns about the present bill. As he said, three years and three Education Ministers later, all the government has produced is increased polarization in

trying to be flexible, in trying to be all the things to all people at all times, at one time or another at any rate, the government has only produced further confusion by consistently changing its position. This attitude has now put trustees and teachers against each other with students and parents caught in the middle. This plan of disregard for the educational system has ended up like a game of chess; the government has treated the people of Saskatchewan in their usual fashion, as pawns, only to be manipulated in whatever way possible as to initiate more votes in the next election.

MR. CAMERON: — That's exactly it.

MISS CLIFFORD: — The basic and fundamental concern of the education of our youth and what is best for them has been secondary in this 'Faris-wheel approach'.

This method of dealing with our educators has caused a sense of paranoia that has never existed to such an extent before. Everyone is looking over his shoulder, suspicious of wording and possible meaning of words, just in case certain circumstances may arise. Such an approach has caused a backward step in the relations of teachers and trustees.

As a teacher, Mr. Speaker, I am concerned first about the education system and the overall result of the province's children. It would do well for everyone here to think seriously about that.

The NDP have played with people's lives again in this issue and the PCs, in a very calculated and political way, intimated that they are friends of everyone. That's what they tried to do, Mr. Speaker. What they have really done is show that they are friends of no one.

Let us not forget the educational system and what is best for our children.

Mr. Speaker, one of the best things that being in the Liberal caucus does is that we can be individuals. We can present our viewpoints without having to walk lock-step with the caucus decisions. I know there must be members of the opposite side of the House that can see some of the major problems that are in this bill but are unable to stand up and speak about them.

The Tories in their usual fashion are in the same position.

As a teacher, I want to express briefly on some of the concerns that teachers have. There are provisions for security for teachers with two or more years experience with the same board. The teachers want it to begin immediately and apply for demotions as well. This suggestion has been considered by many as tenure from day one but it can be equally perceived as no tenure from day one. The bill, as it presently stands, will affect the starting teacher, or the teacher changing positions and they do not have the same security. I feel that teachers and the government must seriously consider having an appeal mechanism to this binding award. The main problem of appeal is primarily the time limit. Such regulations can be established to ensure that an appeal must be completed in a short span of time.

If the Legislation does not have an appeal, administrators will be leery of taking a chance with teachers who have potential but have troubles in their first two years and the same applies to teachers who move from one school district to another. It has been

proven many times that teachers often get settled and know themselves and their abilities and their techniques only after three, four or five years of teaching.

This reluctance to give the teachers the benefit of a doubt and rely on instinct that their potential will blossom is primarily caused by the binding arbitration. The teachers, I feel, would not mind an appeal mechanism as long as there was a short time limit on the decision. We feel all sectors should have the right to appeal a decision and we'll be presenting such an amendment. Acceptance of this amendment would prevent an unstable and moving teacher population that will be inevitable with new teachers and transferring teachers, if the present legislation remains as it is. This will be especially bad if the teacher surplus continues to increase. Much concern, Mr. Speaker, has been expressed about the omission of 'shall be responsible for the quality of the learning experience of peoples' and 'giving instructions' as opposed to 'diligently and faithfully teaching peoples'.

Mr. Speaker, this is a prime example of paranoia on both sides. Teachers, as all professionals, have a professional responsibility and a code of ethics. As a teacher, I take for granted that I will teach diligently and faithfully, and will provide quality learning experiences. This polarization and suspicion of intentions initiated and fostered by the government causes trustees to feel teachers are trying to shirk their responsibilities and teachers feel that quality is too general and it looks like they are solely responsible for the quality learning experience. Everyone knows that the learning experience is affected by the decisions of the parents, administration, boards and government and in many cases, teachers have little control over the situation and how they feel it could be bettered. Many of the ingredients or items which affect learning experiences are not negotiable and therefore, it is a real problem. Teachers want the restrictions to be removed in collective bargaining and as in every bargaining, there are pluses and minuses to this. They feel that if the boards have unlimited scope, then teachers should have the right to negotiate. This suspicion and uncertainty again, has been perpetuated and been given additional fuel by games played by the government and the minister opposite.

In my opinion, there is something to be said about managerial or administrative rights and bargaining. However, there's still a lot of room for flexibility in the present bargaining system. Simple requests, such as access to teacher's own files would be a start in the process. The member for Indian Head-Wolseley stated yesterday that there is an alarming amount of information on the government computer systems and that everyone should have the right to examine his or her files and correct any obvious wrong about the negative effect or economic and social lies. This only seems fair. Or, Mr. Speaker, what about compassionate leave? Such a thing should be negotiable, for such things are individual circumstances.

Mr. Speaker, this bill is not a bowl of cherries for any group and changes are needed. What we really need, though, is a government and a minister that projects an attitude of genuine concern for the education system and the children of this province, a government and a minister that will not play around with legislation so as to manipulate different groups but simply have education in mind. We, unfortunately, do not have a government or such a minister. In the meantime, what will we do? Until such time as the member for Maple Creek is Education Minister, we can slow down this ferris wheel effect . . .

SOME HON. MEMBERS: — Hear, hear!

MISS CLIFFORD: — . . . by convening the education committee of the Assembly so that some of these problems can be rationally and sensibly discussed and logical compromises and solutions arrived at to ensure that our children are receiving the best education possible.

SOME HON. MEMBERS: — Hear, hear!

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, this is one of the most important bills to be brought before this House, in this session, and I think I have to take the opportunity to review the comments made by the member that has just spoken. I, therefore, beg leave to adjourn debate.

Mr. Speaker, while I am on my feet, I wonder if I might beg leave of the Assembly to make a brief announcement.

MR. SPEAKER: — If the member will just hold for a minute I will clear the first question out of the way. The member has asked leave to adjourn debate.

Debate adjourned.

ANNOUNCEMENT

Carievale - 75th Birthday

MR. BERNTSON: — Mr. Speaker, there are four communities that I know of in Saskatchewan that are celebrating their 75th anniversary this year, 75th anniversary of incorporation: Midale, Moose Jaw, Regina and beautiful downtown Carievale.

I know that some of you this summer, sometime, may be planning a trip to Carievale — a shopping trip or something like that — and I know that you will all be welcome. To use the words of the Minister of Finance, it's the best town in all of Saskatchewan, probably in Canada and maybe even North America or the world.

I would ask the pages to hand out these little badges of the Carievale jubilee, 1903 to 1977 and ask the Assembly to join me in wishing Carievale a happy 75th anniversary.

HON. MEMBERS — Hear, hear!

HON. N.E. BYERS (Minister of the Environment): — Mr. Speaker, I wonder if I could perhaps add a word or two to the comments of the hon. member for Cannington. I was born 23 1/2 miles from the present site of Carievale. My grandparents have lived in Carievale for a number of years. I have a sister there and had three sisters living there at one time. The community is celebrating its 75th anniversary this summer. They have a grand celebration planned and I am looking forward to attending at least some of that celebration and certainly want to join with the hon. member in congratulating the community for its achievements over the years and for setting aside a good part of a week to especially commemorate the 75th anniversary.

COMMITTEE OF FINANCE — CO-OPERATION AND CO-OPERATIVE DEVELOPMENT - VOTE 6

Item 1 (continued)

MR. CHAIRMAN: — Order! When we adjourned yesterday evening we were on page 29, Co-operation and Co-operative Development item 1.

MR. W.H. STODALKA (Maple Creek): — Mr. Chairman, last night, I believe, the member for Redberry (Mr. Banda) asked, while Mr. Robbins was looking up some information, if he might pose a resolution to be considered. Then we spent two and a half or three hours, I think, on that resolution. Mr. Robbins, I am sure, had ample time during those two and a half or three hours to look up the information to the question that I has asked.

I think the question, just in review was, how many of the Co-operative loans that were guaranteed — how many of the Co-operatives who had received guaranteed loans were in financial difficulty, other than the ones we had referred to?

HON. W.A. ROBBINS (Minister of Co-operatives): — Do you want the number of individual loans? Just the number?

MR. STODALKA: — Just to simplify maybe the minister can just give me the name of the Co-operative and the amount of money.

MR. ROBBINS: — There are 28 loans in which there are guarantees, unless some of those have been completely wiped out since.

The total sum of money originally was a little over \$15 million, \$15,814,000. The original amount of the guarantees was \$13,636,000; the balance currently outstanding is \$7,717,000 and the principal balance still guaranteed is \$6,487,000. There is of that amount \$1,530,000 past due.

MR. STODALKA: — That is in addition to the ones that we established yesterday, I presume, the loan to the Poultry Producers Co-operative and to SM Breeders?

MR. ROBBINS: — That includes them.

MR. STODALKA: — Well, my point is, Mr. Minister, in asking these questions, there seems to be quite a large number of these loans and certainly an amount of money. Last night, we were talking about, I think, \$2 million or something like this to CCIL Implements and already here under this Co-op Guarantee Board there seems to be a direct loss of \$850,000 in the first instances as far as Poultry Producers and another \$200,000 in the case of SM Breeders. What protection, really, or precautions are there? This seems to be a very large percentage of the total amount of loans, or guarantees that we have. When you start getting \$1 million out of a total of \$13 million or something along that line.

MR. ROBBINS: — Almost \$16 million on loans, yes, it is a relatively large amount, but I think that it is fair to say that these organizations did perform some reasonable function in terms of our economic society over a period of time. I am not sure — yes, there is no chance of recovery in terms of the Poultry Producers of any of that \$850,000 or the \$200,000, but I think it is fair to say that there has been some economic benefit to the province in relation to those loans over that period of time.

MR. STODALKA: — You know if I remember correctly from last year, again, there were 35 shareholders in the Poultry Producers Co-operative and there was \$850,000 that we are writing off. You know that is writing off about — if my arithmetic is right — about \$24,285 per shareholder. Is this not correct?

MR. ROBBINS: — Yes, you are approximately correct, about 35. They are very large producers.

MR. STODALKA: — It is a question then, Mr. Minister, of what sort of scrutiny is given to these types of loans before they are actually granted. How do you go about establishing whether or not the operation is financially viable?

MR. ROBBINS: — I would have to point out that so far we have only had two, the Saskatchewan Poultry Producers and I admit that is a substantial loss, and the SM Breeders. Incidentally, the SM Breeders was guaranteed, not while this government was in power, but the government of the party of which you are a member and actually against the recommendation of the Co-op Guarantee Board, I must tell you.

MR. STODALKA: — Just another question. It would seem though that a large amount of money is \$1,850,000 and when it works out to \$24,285 per shareholder, this is an excessively large amount of money to give to 35 people. I don't know . . . the minister I know, is very shrewd when it comes to finance and business. At least that is my impression. I would think possibly that there is some reason to take a look and see that these types of things don't happen again in the future.

There is one other thing that I would like to ask a question about and that is that last year again, we were talking about . . . I believe it was a lamb processing plant that was built in the province of Alberta at the town of Innisfail, and I think that the province of Saskatchewan became involved in that — that there was a loan or a guarantee of a loan, to the extent of \$50,000. Would the minister indicate just what the financial position of this Innisfail lamb processing plant is and to what extent that Saskatchewan's \$50,000 guarantee is threatened, if at all?

MR. ROBBINS: — Just before I answer the one in the lamb processors, perhaps I should point out that the actual percentage of guaranteed loans up until now, and I admit that those are two large ones, have been .32 per cent of the total amount of loans guaranteed, or less than one-third of 1 per cent, for all time up until these recent ones — these two last ones. The lamb processing plant — yes, we have \$50,000 in shares in Innisfail, Alberta. The Alberta government has taken over its assets and liabilities and we think the Alberta government is fairly sound financially. The book value is still \$50,000 on those shares.

MR. STODALKA: — Just one final. I presume when the minister was giving his percentage figure he was relating it to the number of loans and not to the actual value in dollars of the loans.

MR. ROBBINS: — The actual amount of money was \$36,782,000 guaranteed, and the losses up until these two recent ones which you asked about were \$110,996. The two most recent ones which you specifically asked about brings that loss to \$1,160,996, of the \$36,782,000 which is still not a bad ratio.

Now I will admit that you are raising the point with respect to the 35 producers, and it is a big loss in relation to those producers. What we were attempting to do there I presume, was to maintain a poultry industry in the province, and as you are well aware, it went out of the hands of the little producer into larger and larger units and the feeling was that we were attempting to maintain, of course, a viable industry there. The Department of Agriculture had a fair bit of input into that.

MR. STODALKA: — One more question — back to that poultry producers. We established I believe, that the loss then that the people of Saskatchewan had to absorb was around \$24,285, per shareholder. What did the shareholder actually lose — those 35 shareholders? What did they actually lose out of their investment? The loss is \$24,285 of the province's money. What was their financial loss on an individual basis?

MR. ROBBINS: — I should point out of course, and emphasize the fact that the guarantee board in this case is the 'lender of the last resort', and obviously there is higher risk involved. The actual loss to those shareholders was \$205,663. I'm adding two figures together. Loss to other creditors was \$222,000. Do you want me to repeat those?

MR. STODALKA: — That's a total loss, Mr. Minister, of \$205,000 to all 35 shareholders.

MR. ROBBINS: — It was \$205,000; other creditors lost \$222,000. There was about \$427,000 to \$428,000 lost.

MR. STODALKA: — But where is their own individual loss that would be in the range of about \$6,000 plus per shareholder? You said, yes? The province on the other hand lost \$24,285 and I think other creditors lost \$6,000 and that gives you \$200,000 plus? So the big losers in this I suppose, were probably the people of Saskatchewan and the government. The other lenders were at a loss to the same extent as the shareholders and each shareholder actually lost about \$6,000.

MR. ROBBINS: — Well, that's true. As I pointed out previously it was the 'lender of last resort' and obviously there is high risk involved there.

MR. J.G. LANE (Qu'Ap): — Mr. Minister, on page 12 of the annual report you refer to the arrears. Would you supply me with a list of the ones in arrears, which co-operative, and then I would like to know the length of time of arrears. In other words, 60, 90 days or in excess of 90 days. Then I would like to know — your statement in the same paragraph that there were 28 guarantees in effect with a maximum possible guarantee if fully advanced, of \$10,242,355. I would like to know, and your staff can prepare it if they cannot get it right away, the actual amounts advanced to date on each of the guarantees made, along with the maximum guarantee. A specific question, was that an actual financial commitment as well on the Northland Bank? Is it a pay out of that amount of money or is that an advance or a guarantee?

MR. ROBBINS: — If I heard the whole question correctly does it relate to the Northland Bank. Is that the one you are referring to?

MR. LANE (Qu'Ap): — First, yes.

MR. ROBBINS: — The original loan amount was \$2,600,000 and the principal balance guarantee is \$700,000 — it is an advance, it has not all been advanced as yet. The maximum possible principal that could be guaranteed would be \$2,600,000.

MR. LANE (Qu'Ap): — So it has not been advanced?

MR. ROBBINS: — Right.

MR. LANE (Qu'Ap): — I do not know if your staff picked it up but on the arrears, (I just ask you to supply it in due course) the co-operatives are in arrears, and those arrears — 30 days, 60 days, or 90 days and those in excess of 90 days. I am sure your staff can put that together. If you would just give me that commitment, Mr. Minister, I will take it later.

MR. ROBBINS: — I can give you the number right now.

MR. LANE (Qu'Ap): — I would like to get it in writing if I could. I cannot write as fast as you can give me the figures.

MR. ROBBINS: — Well yes, we can get those I guess. There are seven in arrears at \$1,530,212.

MR. LANE (Qu'Ap): — What guarantees and what are the financial arrangements between this government and the Co-operative Programming Network? What are the terms of the commitment? What are the terms of the guarantee?

MR. ROBBINS: — I can tell you the amount. The original loan is \$2,600,00 but a . . .

MR. LANE (Qu'Ap): — That is a loan.

MR. ROBBINS: — Total loan. But the advance so far is \$900,000.

MR. LANE (Qu'Ap): — To what date was that advanced?

MR. ROBBINS: — The term? March 31, 1978 that amount had been advanced — \$900,000. The term is a five year term to be due on June 1, 1982.

MR. LANE (Qu'Ap): — So the first payment will be June 1, 1982?

MR. ROBBINS: — The loans are advanced by Northland Bank and guaranteed by the province. The original loan amount, the first one, was \$1,540,000 — that is the special capital loan? — \$700,000 has been advanced to date on that loan. It has a five year term to be repaid by June 1, 1982 — the first six months, anyway — July, 1982, and that is a demand type loan to be repaid in full before that. The second loan is a capital loan of \$1,060,000 of which \$200,000 has been advanced so the guarantee currently up to \$200,000 and that is to be repaid in 24 equal payments, commencing on July 1, 1982. After the first loan is repaid then the payments begin on the second loan.

MR. LANE (Qu'Ap): — What is the interest on the loan and when does the interest start to be calculated?

MR. ROBBINS: — The interest rate on the capital loan which is the \$1,060,000 is the average cost of funds for wholesale transactions for the Royal Bank, the Mercantile Bank, and Northland Bank; that's when they go out on the market and secure funds, plus 2.5 per cent adjusted every 90 days.

MR. LANE (Qu'Ap): — Commencing when?

MR. ROBBINS: — Commencing? When the funds are advanced. The second loan is the average cost of funds for wholesale transactions, a similar thing with Royal, Mercantile and Northland, plus 2.25 per cent rather than 2.5 per cent. That one is adjusted every 90 days as well.

April 7, 1978

MR. LANE (Qu'Ap): — Commencing when?

MR. ROBBINS: — When the funds are advanced.

MR. LANE (Qu'Ap): — What securities did the government of Saskatchewan take for these guarantees or did they?

MR. ROBBINS: — The tender takes the security; in this case, the Northland Bank.

MR. LANE (Qu'Ap): — You have no other security — well, you just have the guarantee document?

MR. MacDONALD: — Surely, Mr. Minister, you would have an idea of what guarantees were provided?

MR. ROBBINS: — There is a registered floating charge in terms of the province.

MR. LANE (Qu'Ap): — What about any other securities? Any chattel mortgages registered?

MR. ROBBINS: — The floating charge covers all the chattels and the lender has actually taken security on those terms.

MR. LANE (Qu'Ap): — Oh no, it doesn't. What about chattel mortgages?

MR. ROBBINS: — It's a floating charge on all assets.

MR. LANE (Qu'Ap): — Only the floating charge. Have you got any . . .

MR. ROBBINS: — I'm sorry I didn't hear that.

MR. LANE (Qu'Ap): — Only the floating charge is what you are saying?

MR. ROBBINS: — I'm trying to find out. We'll have to check that further.

MR. LANE (Qu'Ap): — When you decided to participate in this venture, surely when you are putting up \$2.6 million, you did some careful checking into the experience of the individuals involved that would be operating such a program. Would you tell me what information you gathered or what attempt you made to gather information on the skills of the individuals that will be operating CPN?

MR. ROBBINS: — First of all, we don't advance any money; it is advanced by the lender, obviously and he takes all the required securities that he feels are required for a commercial lender. He also makes a check with respect to the management skills of the people involved. Our communication secretary ad would have some input in that respect as well.

MR. LANE (Qu'Ap): — O.K. Are you aware that in this case there were checks made on technical skills? If so, can you advise me what personnel you have? You have the confidence obviously to guarantee this type of money and to ensure the viability. What checks did your department make?

MR. ROBBINS: — We get a very detailed application plus a viability study, which the board peruses and the board may often go back to the lender requesting the guarantee and asks for some additional information and also, sometimes for additional security. In addition, it is reviewed by Finance and the Cabinet before the OC is issued.

MR. LANE: — Are you prepared to supply the application that CPN made in this particular case, for the government guarantee?

MR. ROBBINS: — No, we think since it is a loan agreement it is confidential because it is between a lender and a borrower.

MR. LANE: — No, it is not. It is an application for a loan guarantee to the government. You have already admitted that, now would you table the document?

MR. ROBBINS: — Yes, but it relates directly to that loan, obviously, and there is a confidential factor in there between the lender and the borrower.

MR. LANE: — So you are saying you refuse to table the application?

MR. ROBBINS: — Yes, I refuse to table.

MR. LANE: — Who signed that application on behalf of CPN?

MR. ROBBINS: — The president and the manager of that organization.

MR. LANE: — You will give me the names of the two that signed it?

MR. ROBBINS: — George Dyck and Jerry Parfeniuk, I believe it is.

MR. LANE: — I don't imagine that there were any personal guarantees put on in the application to the Northland Bank, an application that you have seen?

MR. ROBBINS: — You would have to ask Northland Bank.

MR. LANE: — You did not see any personal guarantees in the application made, which you have seen which was tabled before you?

MR. ROBBINS: — There aren't any; they are acting on behalf of their organization.

MR. LANE: — The Premier of this province has indicated that CPN is a high risk venture. What aspects of the application to the Northland Bank, which you have seen, were so striking that caused you to get into this high risk venture? Which parts of the application caught your eye?

MR. ROBBINS: — Well, as I previously pointed out with a lender of last resort, if they could secure their credit from normal lending channels that is where they would get it. They obviously come when there is a relatively high measure of risk involved, because we are the lender of last resort.

MR. LANE: — What monthly income and expenditure what monthly incomes are you predicting for CPN when you are talking about 24 equal payments on the second loan? You must have had some income projections.

MR. ROBBINS: — They are projecting on the basis of about 25,000 subscribers. Saskatoon, Regina and Moose Jaw inclusive at roughly \$10 a month.

MR. C.P. MacDONALD (Indian Head - Wolseley): — I would like to follow up a couple of questions with the minister.

Can the minister indicate to me when the terms of that loan, the repayment, begins?

MR. ROBBINS: — I gave all that information a few minutes ago. You must not have been in the House.

MR. MacDONALD: — I guess I wasn't. Would you mind repeating just that?

MR. ROBBINS: — There is a special capital loan of \$1,540,000 of which \$700,000 to date has been advanced. That money comes due and it has a five year term and comes due on July 1, 1982, but on a demand basis they can demand money from that, prior to that date. In addition, there is a capital loan of \$1,060,000 of which \$200,000 has been advanced and repayments in that case are 24 equal payments commencing on the 1st of July, 1982. In other words, the first loan is to be wiped out and then the second loan payments commence.

MR. LANE (Qu'Ap): — Okay, you are basing, or Northland Bank is basing on 25,000 subscribers at \$10 a month. I notice that, as of two weeks ago, they only had 4,000 subscribers. I'm going by what the Minister of Telephones said in this Assembly, Mr. Attorney General and . . . okay, let's take 8,000 . . .

HON. N.E. BYERS (Minister of the Telephones): — You can check the records the figure is 4,000.

MR. LANE (Qu'Ap): — Well, I'm quoting from the Leader Post . . .

MR. BYERS: — Well, what the Leader Post says is one thing but what was said in this House is another.

MR. LANE (Qu'Ap): — Referring to your comments in the House when we were debating the telephones, you stated there were 4,000; now let us assume 8,000. In the three cities, we've just about completed hook-ups, according to the Minister of Crown Corporations, just about completed; he was very proud of the fact that we have just about completed all the cable hook-ups in the cities — should be completed, June at the latest, I think would be fair. No, I'm talking about installations by SaskTel, that's what I'm talking about. We are just about completed, just about completed. And the three cities — all the completion you have 8,000; you're predicting 25,000. It should be obvious to you that CPN is going to fall dismally short of its goal to get 25,000 subscribers. That means that in addition to the comments by the Premier that CPN is a high risk venture it's becoming, in fact, a right risk venture. Now, you must be expecting that you're going to have to act on this guarantee fairly shortly by any look at the projections and the actual number of subscribers. Are you prepared to write off the \$2.6 million?

MR. ROBBINS: — Mr. Chairman, the member talks about cable being laid; sure it's laid but that doesn't mean all of the people have been even contacted with respect to those subscribers who may subscribe to CPN in the future. I could tell him quite bluntly that I could very well be one myself. But I don't intend to do that until I'm living back there on a

permanent basis. Two to three years to reach the break-even point is a normal sort of situation and gradually those loans will be paid in. We expect a gradual increase in the number of subscribers in those three cities. It doesn't have to have 25,000 subscribers to make money. It could have a great deal less than that but that's their projection in the long term.

MR. LANE (Qu'Ap): — Okay, now. What marketing studies were done, if any, to determine firstly, the market potential of CPN and secondly, the market potential as against a conventional cable bringing in American programming? Are you aware of any?

MR. ROBBINS: — I understand there was a consultant firm that did a survey in Saskatoon that indicated there would be a good market for CPN.

MR. LANE (Qu'Ap): — Are there any present negotiations going on or discussions, no matter how informal, involving the government of Saskatchewan to extend the guarantee to the CPN and increase the amount to be guaranteed?

MR. ROBBINS: — No.

MR. LANE (Qu'Ap): — Are there any limits as to the amount that can be advanced; what I am saying is, can it all be advanced at once or are there term advances to draw down?

MR. ROBBINS: — It is advanced as they require it. The maximum is \$2.6 million.

MR. LANE (Qu'Ap): — No, no, but what I am asking is on the loan, can they advance all the funds at once or is there a term for differing advances?

MR. ROBBINS: — They can advance it as they require it.

MR. LANE (Qu'Ap): — So they could draw it all down at once?

MR. ROBBINS: — No, not at all. They submit monthly financial statements and if they were drawing more than they needed we would have a hard look at it of course.

MR. LANE (Qu'Ap): — Well, how would that arise? You are saying then that they can't draw it all down at once, you could stop that?

MR. ROBBINS: — They give us a monthly statement and ask for advances of funds if they are required and, if they need it in our view, we advance, otherwise we wouldn't.

MR. LANE (Qu'Ap): — O.K. Would you now table the last monthly statement that you got from CPN that was given to you?

HON. R. ROMANOW (Attorney General): — I would like to say a word while the minister is preparing his information on this and I want to say it in as non-political terms as I can, about the CPN if I can.

First of all, I find it somewhat strange that the hon. member is asking as many questions about CPN and the guarantee by this government of the CPN loan as he does without asking questions about Cable Regina, the conventional cable loan.

MR. LANE: — I'll come to it.

MR. ROMANOW: — Well, he's going to come to it, he says but the fact of the matter is that there has been no interest expressed there whatsoever.

Mr. Chairman, the CPN has had its problems. First of all there has been a jurisdictional dispute as to who owns the cable hardware. That is not of the making of the CPN, that was a provincial government dispute with the federal authorities, which was only recently resolved in December causing a delay in the CPN getting operational. Secondly, and as a consequence, the loan guarantee was also delayed pending the outcome of the jurisdictional dispute which, as obvious to all members, would further delay the establishment of the CPN. The loan was not approved I believe until sometime in late December of 1977, or as the minister says, January of 1978. Hardly a couple of months to get going. Thirdly, as all the members know there has been a technological difficulty which I am hopeful is about to be overcome with the converter and the filter which is being mass produced in the States and Canada, now in eastern Canada, and which will be available here within the next three weeks or four weeks. These are all problems which in some form or other were not without reason or not without some impact on the CPN becoming operational and I think to some large measure can explain the fact that the CPN subscriptions have not risen as dramatically as they did in the original period.

Surely CPN is hopeful that once they get their full five channels operational in the next several months and there is the provision of an alternative form of broadcasting for the public of Saskatchewan, the appetite and the market for this area will increase. I share that optimism. It is risky, there is no doubt about that because I think this is one of the few places in Canada where we are having an alternate source of entertainment which is in effect competitive to the conventional cable. But I do want to say, Mr. Chairman, before I sit down, that ought not to deter the members of this Legislative Assembly or to deter the public from trying this bold experiment on closed circuit broadcasting and on CPN. I think it is a bold experiment. I think if we look back in history, if one looked at the viability of the Wheat Pool as against the line grain companies back in the early years of Saskatchewan, one might say economically, they have no membership, there is no room for it, they are going to go belly up, why is the government of Saskatchewan of the day supporting them? The same thing with credit unions, the same thing with co-ops, the entire co-op movement.

I think that CPN in an entirely different area holds out the prospect of something which is an exciting, new, uniquely Canadian in a sense, project. It is the chance to get something a little bit different than Starsky and Hutch repeated over and over again on conventional cable. We now have under Canadian broadcast content rules 60 per cent Canadian content, 40 per cent American. What conventional cable offers to the people of Saskatchewan is not 60 per cent American but 100 per cent American. So now we have the choice of getting Starsky and Hutch at 10 o'clock on CKCK on a given night, Thursday night; now with conventional cable we will have the choice of having Starsky and Hutch at 4 o'clock in the afternoon on an American channel. I don't rail against conventional cable; it is an inevitability. Surely if we as Canadians are facing a Canadian culture content problem, if we are facing a Canadian culture crisis, if we are facing gaps in our communications delivery system, which I think we are . . . I mean look at your CBC National News at 11 o'clock and see how many western Canadian stories there are. Take a look at your CTV at 11 o'clock and see how many Saskatchewan stories there are which is even perhaps more abysmal in its coverage nationally of this region than the CBC. Take a look at the kind of local programming that there is, the kinds of opportunity for debate, extended debate on important issues or controversial issues or religious or political or economic. Now maybe CPN can't deliver all that, I don't

know. Maybe it's going to be a costly operation. I don't know. But I think there is one thing that CPN does do, it at least offers the hope of an alternative community controlled broadcasting mechanism with the chance of Canadian community content there and a high degree of Canadian content. You can get a tremendous amount of programs from, take for example such areas as the Ontario Educational Council, the Ontario Educational Broad-cast Authority, broadcast authority like Sask Media, has produced many award winning childrens' programs of Canadian content. There are other variations of that. Perhaps, Sask Media might at some time provide to the operation. I am not against American childrens' programming, or French, or whatever the content comes from. But we have here the possibility of a local community having a say in broadcasting, and I say, having a regional say in broadcasting in the four, or five or six years down the road if we keep our eye on the ball, on the objective.

It is not free of difficulty, I know that, but to attack it and to criticize it, to kill it, leaves no other alternative, no other alternative, but as I say, the kind of American pablum that we have been getting here, as a Canadian side of our cultural operation.

I conclude, Mr. Chairman, by saying that if anybody looks at CRTC studies you will see that even of the 60 per cent Canadian programming on conventional television, there are fewer and fewer Canadians watching the Canadian programming and more and more switching their dials and watching American programming. I think it is of little surprise. When you see King of Kensington, which is a very good Canadian program, what is distinctively Canadian about it, other than the fact that the actors are Canadian? It doesn't tell us a thing about Canadian culture, or Canadian way of life. It is kind of a varied version of All in the Family, American style. You could almost take King of Kensington and put it out of Toronto and package it in Chicago or New York, as indeed, I am told the King of Kensington is being done.

Maybe this is a pipe dream; I don't know. Maybe it is a socialist planning, if the members want to be political. I don't think it is an ideological thing at all. I don't attach it as a Socialist, or a Liberal, or a PC operation, but I do say that it does hold out the hope, the prospect, of an alternative regional community controlled, alternative media source with a Canadian culture aspect, a co-operative aspect, which, I think, if we were pioneers of 60 or 70 years ago — maybe who knows, 60, 50, 10 years from now our successors will say those guys had some foresight, some guts and some vision to give it a try. That is the basis.

I am not here to defend the fact that it has to have a 100 per cent support to succeed, I don't know, but I do think that the people of the province of Saskatchewan are prepared to take that chance in the best tradition of the co-operative movement as they have in other areas.

MR. MERCHANT: — Mr. Chairman, I haven't entered into the matter, as yet, and I hate to enter into it after the Attorney General has addressed us in sort of dulcet tones, because usually he shouts at us. And I react to what he said by saying that that is such absolute hokum; in fact it is, and I suspect he knows it is. I think the only reason he chose to rise was because his minister was just on the verge of tabling the most recent report from CPN. I hope that will be tabled and the minister, during the 15 minutes or so, doesn't reconsider and decide that that is the kind of information he wants to keep.

MR. ROBBINS: — I'll relieve your suspense because I am not going to table it.

MR. MERCHANT: — Well, because he has just had 15 minutes to think about it and

decided he wasn't going to do it.

Mr. Chairman, it is interesting that the Attorney General now has a whole new reason why we have CPN. When CPN was first handled in the political way and advanced as a requirement, the reason was advanced that we weren't going to get conventional cable in the small rural areas. That was the only reason. Now, that has just been not absolutely out of the box. The applications, the CRTC, in May, is going to call a number of applications in Alberta and there will be 87 different applicants for areas that are as small as Cardstone. The very, very small areas in Alberta are going to be handled by the private investor, private cable.

In Ontario, as I said, when that reason was advanced, that justification was advanced, in Ontario and in the East very small areas are serviced by conventional cable. Now the minister gives us a little hokum about Canadian content. What is the reality of that?

The CPN network will have an educational network. So does cable; they have an educational channel, conventional cable; CPN is going to have a community affairs channel. So does cable, they have community affairs. Neither is watched. Neither gets watched very much. Neither will be watched very much. It is something that you carry in conventional cable because the CRTC hopes that it may flower into something, but in reality it is unlikely to flower into anything. What CPN would be is just a means of showing old copies of All in the Family, a means of showing movies which are principally American, and in fact, just again more American material coming into our homes. I don't say that is wrong. I certainly say that it is absolute hokum for the minister to stand there in his place and tell us that he has got a pipe dream about putting American media out of Saskatchewan. That's just not true.

The fact of the matter is, that the whole reason for CPN was political and nobody should lose sight of that. CPN was devised purely and simply as a part of the negotiating tack taken by this government in their struggle with the CRTC and the federal government over the ownership of hardware. CPN, all you have to do is look at the birthing. You had the CRTC hearings. The CRTC hearings didn't quite go the way this government wanted them to go, Mr. Chairman. This government, particularly this Premier is given the 'snits'. I say that CPN was birthed in a snit because what they did then was they said, 'Well if we can't have co-op control of the cable, conventional cable, we'll set up something on our own and we'll control that.' So, in a snit the Premier launched CPN and he sent Gerry Parfeniuk right out of the secretariat that the hon. Attorney General now represents, right out of the government service, went straight to Bev Dyck, a very well known NDPer, went back to the same co-ops that the government had been trying to prop up and support as part of the negotiating tack. Then, Mr. Chairman, when they won, when CPN had served its purpose and they had won the argument, they had control of the hardware, the government . . . Some people could say, they are loyal to their friends; others would say they were so stupid as to go on backing this ploy that they had called CPN. If anybody ever said to me, at least they are loyal to their friends, my response would be, I don't mind you being loyal to your friends, but are you being loyal to your friends with Saskatchewan taxpayers' money. Because they had CPN out on a limb, then they were determined to support CPN, that's the reason they went ahead. You know, Mr. Chairman, I think the people of the province thought that the whole area of cable and CPN pay television had been taken out of the hands of Ned Shillington because he had flubbed it. It may well be that he just had too much political integrity to carry on with CPN when he knew that it was injudicious and a mistake, a bad thing to do in terms of using the Saskatchewan taxpayers' — dollars.

Now, where are we left? The hon. Attorney General talks about a pipe dream. We are not in a pipe dream. Where we are, is, we're in the cadillac program. We are going to have more American material, more channels and more television available in Saskatchewan, with a population of 950,000 we're going to have more material available in Saskatchewan than any place in the world. More than New York, more than Paris, more than London, more than Toronto or the Niagara Peninsula, more than any place in the world. A cadillac program which would be fine, but regrettably it's a cadillac program paid for at the taxpayers' expense. What is worse, is it's a cadillac program paid for by all of the taxpayers in Saskatchewan which restricts the ability of this government to get conventional cable or CPN into the rural areas. So that as a city member, did I sign up for CPN? I certainly did. You guys want to subsidize a program like that, I'm delighted to be a subscriber. I don't know how my colleague for Morse feels when it means that Swift Current probably won't get cable or CPN for perhaps decades because CPN is now crowding that market and because the government's ability to spend has been stretched as far as you can be stretched with supporting CPN.

Now, Mr. Deputy Chairman, the hon. Attorney General can get up in his pious way — I like him better when he keeps his tones down. Forgive me for not following in that regard and say, well maybe I've got a pipe dream about Canadian content. That's absolute garbage. CPN was birthed in politics and paid for by the Saskatchewan taxpayer and I think we'll be paying for decades.

MR. ROMANOW: — Mr. Chairman, I think a few words in response are necessary. First of all, the member talks about subsidy and cost to taxpayers. The member, with all due respect, just does not know what he is talking about.

The hon. member opposite as I said, doesn't know what he is talking about. The simple fact of the matter is that CPN, being a customer of SaskTel (fine relationship), is charged by SaskTel a rate whereby SaskTel can recover on a business relationship its obligations that it incurs to get CPN set up. I don't know whether the rate should be higher or lower. I leave that to the judgment of SaskTel management who have had a great deal more experience in rate setting than (with all due respect) the hon. member for Wascana has or can be expected to have. I believe that to be the case.

Secondly, with respect to the loan guarantees, it is true that if the \$2.6 million loan guarantee turns out that CPN does not function as the Opposition is predicting, indeed I would say almost hoping that it does not work out, then there is an obligation. That is obvious. But so far there has not been that obligation. So far, as the minister has indicated, they think it is a two year operation to see if this thing can work. I think it is a two year operation.

I forgot to add, as I move to my second point now, the political argument, that one of the other detriments that CPN has always had is the kind of political attack which we have seen this morning from both the PCs and the Liberals.

I tell the member for Wascana, who is a consummate politician, he should look some time at the member organizations that belong to CPN. Take a look at the member organizations who support CPN — from the Saskatchewan Society for the Prevention of Cruelty to Animals (if you can call that a diverse organization), to, if you will, trade unions.

The member for Qu'Appelle does not concern himself about this.

I am simply saying that there are people of all kinds of stripes who belong to individual church groups . . . take a look at the church list, individual church groups who are supporters of CPN as a concept and I think for the member to simply get up and say everybody in SPCA is member organization (and I know that happens to be one) because the member organization of CPN is political, all NDP, is doing a terrible disservice to the individual organizations.

A member publicly decries the fate of his Liberal Party as always having been portrayed as being anti-co-ops and anti-trade unions and anti-native. He says that's not true. But the reality is that you paint yourselves in that position by these kinds of broad, sweeping generalities. You pick out George Dick, whom you allege is an NDP (and I don't know if he is or isn't). I know George Dick very well, I don't know if he is or isn't. You pick him out . . . all right, even if he was an NDP, you pick him out and you say the whole organization is NDP. I am saying that that's the kind of stuff that keeps you people in opposition forever. You don't have any kind of a vision. You don't have any kind of a discrimination in terms of the nature of the attack. So I say, Mr. Chairman, those who argue that this is political, simply just are painting with such a broad brush as to not know their facts.

Finally, I think one other point on the question of Raquel Welch. My friend representing Qu'Appelle is obviously concerned about Raquel Welch. There is no Saskatchewan content in Raquel Welch, quite obviously, but the member does not know anything about CPN. CPN is a five channel operation of which one of the channels is a movie show channel, one of the five. There is education, there is community, there is children's, there is the American and there is one other channel.

MR. MERCHANT: — Children are seeing the American shows. We get those now.

MR. ROMANOW: — Well time will tell whether that's true. The member says that the children's movies will be the same as the American ones. Time will tell. That may be so. I say that the objective of CPN and our hope in a broad general sense representing the public, is that that would not be so. We cannot do without American shows. I know that. I did not say that. I'm simply saying that with CPN we have the chance of having a higher degree of Canadian content and because it is locally controlled a higher degree of a local flavor in that kind of a programming.

Now the hon. member says that the community channel on conventional cable is a throw-away. That's what he says. And I agree with him. It is a throw-away. It is a throw-away because the conventional cable operators have made it a throw-away. They run their backward running clocks and their forward running wind charts and they put on their temperatures every second or so. They don't make it a meaningful community channel, because it is a pro form of thing to get the CRTC license. Maybe CPN will end up the same way. I don't know. But I think that when you have a community organization, SPCA for example, or the United Church up there in Saskatoon that is gung ho for this, maybe they want to have the prospect being community themselves, of having a community debating forum, a community exchange of opinions. Maybe that's the case. And I think that the chance is just a heck of a lot better in this regard than they are under the kinds of normal circumstances.

Now I simply close by saying, Mr. Chairman, it is not my intention (and I am trying this in my dulcet tones) as the member for Wascana says, to say this purposely because I say, with all the sincerity I have in me, I believe that this is a project which is worthy of a look-see. It is not worthy of an immediate shoot-down without you boys even seeing what the

product is. It is not worthy of a blanket attack on all of the organizations that have seen fit to support it. It is not worthy of that. It is worthy of a look-see at all of those possibilities that we have talked about. I think, if the finances have been analyzed as they have been analyzed, I think it can work and it will work. It will work. There is no argument that says because we have closed circuit, somehow we are going to hurt the conventional television guys or the cable guys. I think the viewer is too discriminating nowadays to be so fractured permanently one way or the other that the market is down the line.

Your argument will have greater validity a year or a year and a half from now if that is the situation. That is what I am saying. But to immediately jump on it for purely, well I will not say political because that just rattles everybody but for a preconceived bias is wrong. I want to tell you also, that I for one entered, before I entered the communication secretariat, with a high degree of skepticism toward the objective of the CPN. Like you guys, I think traditional television — that somehow broadcasting means CTV or CKCK ownership and you kind of get indoctrinated that the air waves are private enterprise or there is some sort of holy sanctity to that conventional cable operation. If you really unshackle your minds a little bit, you will see, as I think has happened in my case, that there is the chance for community input in these kinds of Canadian culture contents. Give it a chance. Do not shoot it down now. Do not dump on it. Do not force the \$2.6 million to be lost by the continual kinds of attacks that you have. I think if we have a vision for it, maybe something of this whole political game will have meaning to it ten years from now when they are looking to see what the heck we are doing about it here.

MR. MERCHANT: — Well, I want to make three quick points. First, it is interesting that the Hon. Attorney General can so easily castigate one group of co-operators and say that they are incapable of providing all these good services that you described. They are going to waste their community channel. They are going to take — let us take Cable Regina, co-operators.

MR. ROMANOW: — You said cable operators.

MR. MERCHANT: — No I did not. I said both. I said that people do not watch community channels and I do not think they ever will. Now you are saying you believe that CPN will build theirs into something better because they are a community group. Well why will Cable Regina not build theirs into something better? They are a community group too. Why will North Battleford not build theirs into something? They are a community group. Why would you set co-op against co-op? That is what you are doing.

You know, Mr. Deputy Chairman, one cannot really be led into the trap. I do not think, if you think about it at all, believing that when you go to a church group or you go to a trade union or you go to any of the other good organizations you belong to and say they support all of these units. What was really said by Cable Regina, by CPN, by all of them? Some familiarity with the way you sign people up; you go to them and say, look we are going to have a community channel. If we have a community channel, will you use our community channel? Of course they say yes. They say yes. They are not in bed with you on the deal. They just say you go ahead. If you get the facility we will use it. That, Mr. Deputy Chairman, is what these members are always saying when they accuse us in our attacks either on some of the cable operators or on CPN, as attacking the United Church. The United Church said we may use some of those community facilities. That is the way they got signed up.

Now, Mr. Deputy Chairman, there is a second point. Why, if everything is as good as the

Attorney General makes it out to be, why the cover-up, why will your minister in estimates not give us the recent reports from CPN if everything is looking all right? What have you got to hide? Why did the Minister of Telephones — You should have been there. It was incredible. He walked in with a wheelbarrow full of bricks and a bag full of mortar and he was trying to get the whole desk covered up and he got a lot of help from the chairman of the Crown Corporations Committee. — Just incredible! Would not answer a thing! Would not even give us information we had, lots of it, because most of the material that we were asking for is fully documented by the CRTC (Canadian Radio and Television Corporation). He would not tell us what the rates were. Oh he had lots of justifications on why CPN should be charged a lot less than conventional cable. They were pretty silly justifications like, they only use five channels instead of using 12. Well once you have got the facility in, it does not matter whether you use 30 or five. They were silly justifications and he knows they were silly, but he would not even say, yes the rate is going to be lower, though anybody who knows anything about the financing of CPN knows that the rate has to be dramatically lower or else CPN just can't function financially. Why the big cover-up over CPN if there is nothing to hide? I say that both to the Attorney General and to the minister whose estimates are now before us, and that is what I didn't have an opportunity to say to the Minister of Telephones.

Now, the minister finally says, 'look, give CPN a chance'. I want to give CPN a chance. I hope CPN succeeds; I hope your potash take-over succeeds. There comes a day when I stop being a political person and then I become a person in Saskatchewan; I become somebody who cares about the welfare of Saskatchewan. If you guys go into a project for, as I said, birthed in politics, birthed in the snit of the Premier — if you guys go into a project where you are the government, then we're in it. We want to see CPN succeed but we want to keep some watchdog on that progress because we have that responsibility on behalf of the taxpayers of this province, but also on behalf of the taxpayers of this province, we want to see CPN do well. I want to see your potash mines do well, now that you have so completely put the future of Saskatchewan in the hands of that gamble but that doesn't stop me from, in a political way, continuing to examine why you went into the gamble. So do I want to see CPN do well? I certainly do.

I want to see the cable companies do well too because they are now good corporate citizens or good co-operative citizens of this province. I just say that this cadillac program is a big risk, an expensive risk, a foolhardy risk and a risk that was birthed in politics.

MR. ROMANOW: — Mr. Chairman, again, this will be my last intervention because I am really ruining the ministers . . .by popular demand.

I do want to make one point. I agree with you about the business of poneying up all of the information that can be ponied up.

(inaudible interjection)

MR. ROMANOW: — No, no. Just hear me out. The simple fact of the matter is that, (and I don't know what happened at Crown corporations on SaskTel) but you realize that in SaskTel, SaskTel deals with customers. They have got a competitor.

MR. MERCHANT: — Well telecable is a competitor of CPN's. That's an example. Cable Regina is a competitor of CPN. We wouldn't receive your credit I don't imagine, if we said, 'here's the telecable rate — here's the CPN rate'. We don't. I mean, people who deal with Crown corporations, whether it is in insurance, whether it is in power or whether it

is in the telecommunications area, have a right (if SaskTel has any credibility) to deal with it in some degree, of corporate confidentiality. Clearly I, as a politician, have a dilemma here. I don't for one moment mind telling you what the rate is. I for one moment wouldn't mind showing you what the financial statement is, but you realize (and I'm sure you do in terms of the responsibility of the operation of government) that this can't be done. We can't simply say, 'here is the CPN rate' so the competitors can see it — competitors not only here against CPN but competitors outside of Saskatchewan. Nor can we give it to the . . . if they want to reveal it. If CPN wants to reveal it, that's their business. Because we don't give it for good, I say, corporate business reasons, is not a reason to allege a cover-up and that is the same thing with the Co-op Guarantee Board and the Co-op Guarantee loan. Maybe this is an overstatement (correct me if I am wrong, officials) but I'll bet you that there are hundreds of co-ops in Saskatchewan — hundreds, maybe thousands — I don't know. Just the tremendous number that do (and a lot of them are risky) — you've got a big mill or you've got some other operation that is involved in some areas of Saskatchewan which is a risky operation.

We don't show the applications and the financial statements. What is the sense of doing that if we are going to politicize every kind of a loan guarantee? Then we are in to trouble.

(inaudible interjection)

MR. ROMANOW: — Well, Mr. Chairman, I obviously will just have to leave my argument for the (what I think is a rational argument) acceptance or the rejection of the members of the House and the acceptance or rejection of the public. I think on the rate argument and on the loan guarantee, that's a logical, rational argument. You can yell, what am I afraid of, or anything of that nature, but that I guess would be up to you people. But that is the position we are in in this area and if you asked us what the rate Saskatoon Telecable was paying, we would say the same thing - it is not in the public interest to reveal it. And you would portray us as enemies of SaskTel and Sask Telecable and we are not. We would like to see conventional cable succeed. I am with you on this 100 per cent of the way. That is the reason and I just wanted to speak to the cover-up point, Mr. Chairman.

MR. ROBBINS: — Mr. Chairman, the member for Wascana says that he is a member of CPN. All he has to do is go to a meeting and get all the information he wants. There is nothing to stop you from getting the information you want at a CPN meeting, if you are a member of CPN and you said that you were a member of CPN. So all you have to do is go there and get the information you want.

MR. LANE: — Mr. Minister, you have indicated that you refuse to supply the monthly statements given to you by CPN. Is that correct?

MR. ROBBINS: — Exactly the same as we would for Regina Cable or any other.

MR. LANE: — The Attorney General has given today a new reason for CPN which seems to make the other reasons for CPN no longer operative to use a well-known phrase. Would you now supply us with the provisions of the agreement made by CPN and Northland Bank to which you have had access, which specify the programming criteria that, today, the Attorney General says exist and are the *raisons d'etre* for CPN? I am sure

it is part of the agreement.

MR. ROBBINS: — We would have some general information with regard to the programming content. We wouldn't have the specifics at all. They would prepare some information that would go to the Guarantee Board, supporting their financial application and that is confidential.

MR. LANE: — So you are not supplying the programming information, then would you supply the information as to the small communities that CPN has committed to supply cable to as part of its application? No longer operative, I realize that reason for CPN.

MR. ROBBINS: — I am sure that wouldn't be in their application in relation to their application for a loan to the Northland Bank.

MR. LANE: — Well, I am going to make a motion, seconded by the member for Souris-Cannington (Mr. Berntson):

That this Committee of Finance request the proper officers of CPN to appear before this committee on Monday, next, with all relevant documents.

This is so that we can continue the questioning and get the information.

MR. MacDONALD: — Mr. Chairman, I just want to speak very briefly to the motion and say I hope that all members support it and support it for this reason.

The other day in Crown Corporations and in this House, for the past two or three months, there has been a blanket over information regarding cable television in the province of Saskatchewan, a deliberate blanket cast by the government of Saskatchewan. People have asked some very serious questions. For example, a press release came out yesterday indicating the CPN was cut off the air waves today. I believe as of 12 noon, off the channel, and they will be back on April 21 — which would not be bad, approximately in two weeks. Then the minister stated there would be only 500 converters available on May 1 out of 10,300. If in a month they can only produce 500 — whatever it may be — all I am suggesting to you, Mr. Minister, it says that there will be 500 available on May 1. It also predicted that in the interim period, there will be a \$100,000 loss by CPN. I wonder how long it will be before the 10,300 are produced for the requirements of CPN. Is it 500 every month, 500 every three months? How much money will CPN lose in the meantime?

We heard the member for Maple Creek bring up a co-operative today that lost over \$800,000. There were 35 members in that co-operative. All of us are aware of the disastrous guarantee program of many of the co-operatives by the Department of Co-operatives in the province of Saskatchewan. Some of them have been disasters, and any time the government of Saskatchewan or the Department of Co-operatives guarantees 35 members a guarantee of over \$800,000, that is a loss of something like \$24,000 (as the member for Maple Creek has indicated), per member plus a personal loss of \$6,000, plus other creditors loss of \$2,000.

Then the Attorney General stands on his feet and says, please, let us give them a chance. The NDP members stand on their feet and demand, nationally and provincially, that financial statements of private corporations be made available to the general public. They want the records. But any corporation that they deal with or that they are involved financially with, you can't get a speck of information out of them. You can't get

anything. They put a blanket over them and as the member for Wascana says, what is it you are trying to cover up?

The Attorney General stands up this morning and he says we are going to have a community channel. You know what it is going to do? The dilution of the talent and the interest of the citizens of Saskatchewan in two community channels will destroy the community channel. There is not enough talent; there are not enough subscribers because we are not talking about 900,000 people as a potential in Saskatchewan, and all of us know it — east end and the North where in our rural province very small communities exist — you and I know that this will not be available even to 900,000. The community challenge and the opportunity to provide that service will be for a very restricted number. My goodness, Toronto cannot even provide more community channels than what you are trying to offer. We are diluted to such a degree that it will be useless, and the biggest problem we have today in talent in Canada, on community or what is called 'local content' is that we do not have the talent and we do not have the market to produce it at top quality and top calibre. As soon as the talent goes across the line they do very well because of the market availability.

All I am telling you, Mr. Deputy Speaker, is that there is absolutely no reason that the CPN financial statement should not be made available to the citizens of Saskatchewan with the kind of risk that is going on and the kinds of things that are happening in the cable television program in Saskatchewan. As the member for Wascana says, you seem to have thrown a complete blanket over the entire operation of cable television; excuse, after excuse, after excuse is provided. I say to you, Mr. Chairman, it is time to stop the cover up; it is time to put the facts on the table, all of them, and then, Mr. Speaker, let the people of Saskatchewan do an evaluation. I think it would be doing CPN a service cause boy you go and talk to a subscriber and a person on the street; they talk about being cut off, they talk about pirating; they do not know which is which, and so forth. Cable Regina had the biggest influx of sign ups in the last week than they have had for a long long period of time, even though they know they are months and months away from being able to hook up all the prospective customers they have. It is because of the uncertainty in the minds of the citizens of Regina about CPN. Turn around and lay the facts on the table; tell them when you expect to have converters in and a complete service on. Tell them exactly what SaskTel is charging them, when they will recover the money, whether they are not to be provided a cheaper rate, whether or not the taxpayers are subsidizing it. Put the facts on the table and it will benefit CPN — if there is a benefit to be had.

MR. MERCHANT: — Mr. Chairman, let me only say one thing further. I believe what we have here is a situation where the government refuses to recognize that there is a problem and as a result of refusing to recognize there is a problem and take some corrective action, CPN may go down. As I said earlier, that is not something I would like to see happen, not when they go down with Saskatchewan taxpayers' dollars; Cy wouldn't like to see that either. (Inaudible interjection) . . . No, he doesn't think there should have been two and I agree with him but now that we have two at the expense of the Saskatchewan taxpayer . . . (Inaudible interjection) . . . now that you have made a mistake, we would like to see them both succeed and do well and flourish.

Mr. Deputy Chairman, I say particularly to the Attorney General. This is a time when he has to get into the thing and solve the problem.

MR. ROMANOW: — What problem?

MR. MERCHANT: — The problem is that CPN is probably going to go under unless you tell people what's going on, be more candid with the future that they face.

MR. ROMANOW: — I've told them.

MR. MERCHANT: — Oh, you've told them everything! Every week we get another promise that CPN will be sorted out a week later. You have got to face the problem that you maintain those expectations and you keep dashing their expectations. Everybody thinks CPN is about to be on the air and then those expectations get dashed. You know you haven't solved the engineering problems and you are not even close. You have a little cottage industry that is producing these converters. I don't know, maybe the Minister of Telephone's mother is making them in her garage at \$500 a month.

Now tell people when CPN is going to be able to get the thing going. Be honest about where you stand. Admit that there is a problem and say, but this is the way we are going to solve the problem and we are going to bail CPN out. Now the only reason you don't do that is because that's kind of an unpleasant political experience for you, to say, yes, I guess we acted a little too quickly. We made a deal with the CRTC about dates and we couldn't keep our deal. That's what the government did. The government made the deal about converters and you couldn't keep your deal. Then the government made a new deal with the CRTC and you couldn't keep that deal either.

Now what are you doing to the people who are the subscribers to CPN? What are you doing to their expectations? The member for Indian Head is correct when he says that Cable Regina has an influx of customers, because people now are writing CPN off. You've allowed their expectations to be dashed three or four times. Face the problem, or else, I say regretfully, that I think CPN will go down and go down at very considerable expense to the Saskatchewan taxpayer. I would like to see CPN succeed now that you've got us into it and I say to you that as long as you take a head-in-the-sand attitude you are not even admitting that there is a problem to solve so that you can get in and help solve the problem.

AN HON. MEMBER: — When your head is down your other end is someplace else you know.

MR. MERCHANT: — You know, Mr. Chairman, the old saying is very applicable — there are none so blind as those who refuse to see — and the government is refusing to see that they have a problem here that could cost us a lot of money.

MR. J.G. LANE (Qu'Appelle): — Mr. Chairman, just some comments on the motion.

The government's inconsistency and inability to decide what it is doing with CPN I think has become evident again this morning. The Attorney General gave a great impassioned plea about new programming. He ignores the very fact that the conventional cable have programming or channel capability for community programming. The only selling technique that CPN is giving (and we all see the ads) are Raquel Welch in the American movies. That is all. So I very deliberately asked the minister responsible to give this Assembly the programming details and what the goals and objectives of CPN were with some specifics. He doesn't have them. We asked for other reasons that government give us some specifics, the small communities that were going to be serviced. In fact, the government doesn't have them. Every single reason given by the government opposite for the existence of CPN has been thrown out, tattered and thrown away and in fact proved today to be non-existent. There has to

be another reason and I suggest that it is right back to what we started in day one that this government lost control of the conventional cable and had to come out with another outlet. It has become known on the streets that CPN is Blakeney's folly and I am sure that today it is being proven true that there is nothing in CPN to guarantee delivery to the small communities, there is nothing in CPN to guarantee local programming, that in fact it is a high-risk venture as the Premier said. We are going to lose a lot of money. It is so bad that the government is refusing again and again and again to give the financial information of its commitment to CPN and the financial operations of CPN, information which the public has titled Blakeney's folly. I think it is a very kind phrase to indicate the mess that CPN is in and I say that the government is in as a result of its activities in this area.

Motion negatived.

Item 1 agreed.

WELCOME TO STUDENTS

MR. A. THIBAUT (Kinistino): — Thank you, Mr. Chairman. Members of the Legislature, it gives me great pleasure today to introduce a fine group of students from the Alvena High School, Grades 10, 11 and 12. They have travelled a long way to visit the Legislature. They are led here today by their school teacher Mr. Ernie Kalynka and Mr. Wally Berzowski. I want to say, I hope this trip will be an educational one. We are going to have dinner after while. I know they will enjoy that, they are pretty hungry. I sure parliament this afternoon will portray exactly what it is. I also want to wish them a safe journey home.

HON. E. TCHORZEWSKI (Humboldt): — Mr. Chairman, if I may, I too, would like to join with the member for Kinistino in extending my personal greetings to the students from Alvena. I was born in Alvena and therefore have a bit of feeling for the community. I get up there once in a while, I still have many relatives up there, our family does. The students who are here invited me to speak at their graduation this spring; unfortunately because of other commitments I was not able to accept the invitation. It is a real pleasure to have them here. I hope they will enjoy their stay.

The Assembly resumed the Committee of Finance — Department of Co-ops — Vote 6.

MR. CHAIRMAN: — Just in reply to the member, I think he will understand that they can speak as often as they like in Committee of the Whole or Committee of Finance. No one closes it.

Item 2

MR. S.J. CAMERON (Regina South): — Mr. Chairman, I want to ask the minister some questions in respect of this item. The first one is that I have noticed in the Public Accounts that are published that there are under this vote and the past, a number of grants that have been given to a number of individuals. They are small amounts but they total something like 200. Can you tell me what those items are? Are those grants of some nature being made to individuals and for what purpose?

MR. ROBBINS: — You want the names of the organizations or just the numbers, the amounts or what?

MR. CAMERON: — First, Mr. Chairman, I merely want some explanation for how the 150 or 200 people that are listed as having received amounts of money are arrived at? What do those figures mean?

MR. ROBBINS: — I think what the member is referring to are the lists of names of people related to the ARDA program. These people attended conferences with respect to grazing co-operatives and they were paid for attending those conferences. The sums of \$133.35, \$158.25, \$123.75, I'm assuming that those are the things you are referring to. There about 150 people on that list. I think you are referring to a group of people who attended conferences. These were either conferences related to grazing co-operatives. There are about 150 people listed and the amounts are small like \$133.35; \$158.25, \$123, \$139, \$121 etc. I think those are the ones that you are referring to. These people attended those conferences and were paid their expenses to attend those conferences.

MR. CAMERON: — Where do these conferences take place? How do these people make application to get paid? How many of these conferences are taking place?

MR. ROBBINS: — It is a cost-sharing arrangement with ARDA. There are 10 or 12 seminars held. These people would attend those seminars. It is a cost-sharing arrangement with us.

MR. CAMERON: — Are these people employees? Where do these people come from?

MR. ROBBINS: — They are farmers attending these conferences on grazing co-operatives.

MR. CAMERON: — Well, how many of these things have you budgeted for this year? How many conferences? Where are these conferences being held? How many people are you going to make grants to in these amounts of about \$150 to \$200 to attend these conferences?

MR. ROBBINS: — We have none in the current year, because we have no arrangement with ARDA for the current year.

MR. CAMERON: — O.K. let me ask you as well. In the past, you have from time to time made grants to co-operative day care centres. May I ask you, how does a day care centre, in the structural sense, have to be incorporated to qualify for a grant from your department?

MR. ROBBINS: — A lot of them are societies, then they can get a start up grant from the department.

MR. CAMERON: — If they are incorporated simply as a private society, not as a co-operative as such, are they entitled to apply and have a grant or do they have to be incorporated as a co-operative?

MR. ROBBINS: — A lot of them were societies that incorporated as co-operatives and then applied for grants to the department and they are entitled to a grant on that basis.

MR. CAMERON: — Do I assume from that, that in order to qualify for a grant, the day care centre has to be incorporated as a co-operative?

MR. ROBBINS: — No, that is not necessarily true. A society could apply for a grant to the Department of Co-operatives for a day care centre.

MR. CAMERON: — You have some limitations on the number people that have to be involved. For example, I notice that occasionally there will be a grant made to a co-operative day care centre that is called, for example, M. Fisher Co-operative Day Care Centre, which would lead one to conclude, superficially, that there is one person involved in setting up that day care centre on a co-operative basis and presumably that is the person who is actually providing the service and drawing a salary for it. And that is the person that sort of gets a co-operative organization incorporated and then qualifies for the grant.

MR. ROBBINS: — It is simply a name they choose. They have six or more people.

MR. CAMERON: — Now, I am right, I guess, in assuming that some of these day care centres, and there are several now being funded, qualify for funding from the Department of Social Services under its regulations in the regular way. And then if you happen to be a co-operative incorporated as a co-operative day care centre, you can qualify for funding also from the Department of Co-ops. Is that correct?

MR. ROBBINS: — Yes they can, but ours is only a start up fund.

MR. CAMERON: — I have a couple of additional questions. There were some grants made in the past to some of these cubing co-operatives and so on, like Porcupine Cubing Co-operative Limited and some of those. Are you continuing to make grants to some of those sort of corporations? Have some of those gone out of business? Which ones have gone out of business in the last year or two?

MR. ROBBINS: — Two of them got grants in the initial stages to enable them to get seed to sign up people who would then put acreage into the required crops for the dehydrating operation.

MR. CAMERON: — Could you identify those?

MR. ROBBINS: — Hudson Bay Dehydrating and Porcupine Cubing.

MR. CAMERON: — My question is, have those co-operatives gone bankrupt or are they still in business?

MR. ROBBINS: — No, they are both in business.

MR. CAMERON: — Can you tell what the strange one is that I have noticed? It's the Magpie Symbiotic Food Co-op Limited. What is that?

MR. ROBBINS: — It's a health food co-op in Saskatoon. I don't know why they chose that name, but they choose their own names.

Items 2 and 3 agreed.

Co-operation and Co-operative Development Vote 6 Agreed.

MR. ROBBINS: — Mr. Chairman, I think there is a vote under Vote 64 — Loans Advances and Investments.

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MR. CHAIRMAN: — Yes, that's a separate one.

Vote 64

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Chairman, is this the vote that is set up to provide a portion of the funding for these co-operative seed-cleaning plants in rural Saskatchewan?

MR. ROBBINS: — Yes, we have bought some shares in some of those seed-cleaning plants.

MR. BERNTSON: — The one I am thinking of is the amount of the capital expenditure up to a maximum of \$300,000. The 30 per cent, is that agriculture?

MR. ROBBINS: — That's agriculture.

Item 1 agreed

Co-operation and Co-operative Development Vote 64 agreed.

The Committee reported progress.

The Assembly adjourned at 12:50 o'clock p.m.