

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Nineteenth Legislature**

**April 30, 1980**

The Assembly met at 2 p.m.

On the Orders of the Day

**WELCOME TO STUDENTS**

**MR. SPEAKER:** — I would like to take this opportunity today to introduce a group of Grades 7 and 8 students from St. Goretti School in Saskatoon. There are 38 of them and they are seated in the Speaker's gallery. I believe they are accompanied by Dawn Draper, teacher's aide, and a chaperone, Kathy Hart. I'm sure all members will join with me in welcoming these students from St. Goretti which is an important school in the constituency of Saskatoon Westmount. I hope they have an interesting and informative day in the Legislative Assembly and a safe journey back to Saskatoon.

**HON. MEMBERS:** — Hear, hear!

**MR. L.W. BIRKBECK (Moosomin):** — I take this opportunity to introduce to you and through you to the members of the Legislative Assembly, a group of 26 Grades 9 and 10 students from the Kennedy School in my riding. They have already had the opportunity to have a tour of the building. I am sure they enjoyed that tour. It is my wish that they have a very informative afternoon here throughout question period and that they thoroughly enjoy their afternoon. I'm sure they have other activities planned for the balance of the afternoon. They are accompanied by their teachers, Mr. MacKay and Mr. Will. I would just wish them an exceptionally fine education afternoon, and a safe trip home. I would ask all members to join with me in welcoming them here to the legislature this afternoon.

**HON. MEMBERS:** — Hear, hear!

**HON. E.L. TCHORZEWSKI (Humboldt):** — Mr. Speaker, I would also like to extend welcome to a very special group of students from Bruno High School who are seated in the west gallery. They are visiting the city of Regina. They came here quite early this morning, and have been to a number of interesting places already. I had the opportunity to speak with them just a little while ago. We had a very interesting discussion. The only difficulty is we did not have quite enough time so I may be able to spend some more time with them at 2:30. They are accompanied by their teachers, Mrs. Huber and Mrs. White, and their bus driver, Mr. Art Herman. I know that members of the House join with me in welcoming them to this Assembly, and wishing them a safe trip home.

**HON. MEMBERS:** — Hear, hear!

**HON. W.A. ROBBINS (Saskatoon Nutana):** — Mr. Speaker, I would ask the members of the Assembly to extend a warm welcome to a group of 37 Grades 7 and 8 students from Queen Elizabeth and Buena Vista Schools in the city of Saskatoon. I understand they already toured the building or will be touring it shortly. I hope they find the proceedings this afternoon very educational and informative. I ask all members to give them a warm welcome and wish them a safe trip home.

**HON. MEMBERS:** — Hear, hear!

**MR. N.E. BYERS (Kelvington-Wadena):** — Mr. Speaker, I am pleased to introduce to you and through you to the members of the Assembly, 13 Grade 11 students from the Wishart High School who are seated in the Speaker's gallery. They are accompanied here today by John Szeman, Mr. Stand Bublancica, and Mr. Larry Hrycan. Their trip here today is sponsored by the Co-op at Wishart. I will have the opportunity to meet with the group at 2:30 for pictures and for refreshments in the members' dining room. I want to welcome them here, as I'm sure all members do. We hope that their visit here today will be educational and informative, and that they will leave with a better appreciation of the operations of the Legislative Assembly.

**HON. MEMBERS:** — Hear, hear!

## INTRODUCTION OF GUESTS

**MR. H.J. SWAN (Rosetown-Elrose):** — Mr. Speaker, I would like to introduce to you and to the Assembly, two gentlemen who are visiting here from the fair province of Ontario and more properly from Toronto. I would like to introduce to you John Bulloch, the president of the Independent Businessmen's Association of Canada and Brien Gray, the director of provincial affairs from Ontario. These men are here meeting with government and opposition members. I would ask them to stand and be recognized. I hope you will all welcome them here.

**HON. MEMBERS:** — Hear, hear!

**HON. N. VICKAR (Minister of Industry and Commerce):** — Mr. Speaker, I would like to add my welcome to Mr. John Bulloch and his colleague to the legislature this afternoon. I will have the opportunity, along with the premier and the Minister of Finance, to meet with John in a few moments. I do wish them a nice stay in the legislature and a very informative afternoon.

**HON. MEMBERS:** — Hear, hear!

## QUESTIONS

### SGI re New Agencies

**MR. J.G. LANE (Qu'Appelle):** — I would like to direct a question to the minister responsible for SGI (Saskatchewan Government Insurance). I note that one Ed Whelan, former NDP cabinet minister, was successful in obtaining an SGI agency. Would the minister mind advising this Assembly how Mr. Whelan managed to get an SGI agency?

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services):** — Mr. Speaker, Mr. Whelan is a private citizen who bought out another agency. That's how he got it.

**MR. LANE:** — Thank you, Mr. Minister. I note the difference with Mr. Whelan buying out an existing agency and Mr. Frank Buck having an agency created and Mr. Dan Smith, a man with NDP political ties, having a new agency created. Could you advise this Assembly why one individual was required to buy out an existing agency and the other two individuals had agencies created or new agencies allocated to them?

**MR. ROBBINS:** — Mr. Speaker, we didn't require anyone to buy anyone out. The person made that individual decision on his own.

**MR. LANE:** — Would the minister not admit that until very recently, it has been the practice (and I suggest the rule) that people wishing to acquire new agencies in the cities of Saskatoon and Regina buy existing agencies; and that the granting of agencies to Dan Smith, the brother of the NDP caucus director and to Frank Buck, the defeated NDP candidate, were nothing less than blatant political patronage?

**MR. SPEAKER:** — Order, order! I'll take the next question.

### **Agricultural Industry — High Interest Rates**

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, I would like to direct a question to the Minister of Agriculture. As you are well aware we have been calling on the government and your department in particular to take action with regard to high interest charges as they relate to the agricultural industry, rising farm costs, placing a very tight farm-cost problem to the farmers of this province. Mr. Speaker, the Saskatchewan Wheat Pool now has issued a release, and I suggest, in disgust with your government's inability to handle these problems and your attempt to resolve them, they are asking for the federal and provincial governments to take action in these particular areas. Mr. Minister, since you have had no positive replies whatsoever from Ottawa, what action can you see possible in the very near future to provide some relief to the agricultural sector during this time of crisis?

**HON. G. MacMURCHY (Minister of Agriculture):** — Mr. Speaker, the hon. member for Moosomin will know that we took a position on behalf of Saskatchewan farmers to Ottawa last week, dealing with the problem of interest rates and with the problem of income for farmers. I report to the hon. member that in the meeting with the federal Minister of Agriculture he reported to me that early next week cabinet will be meeting with the lending institutions in this country to discuss the issue of interest rates, to discuss the issue of moratorium as presented to them by the National Farmers' Union and from that meeting we could conceivably see an announcement. I note the Minister of Agriculture in Ottawa in the House answering a question put forward from a member of Saskatchewan saying that he hopes to make an announcement with respect to easing the situation for primary producers in this country following his round of meetings.

**MR. BIRKBECK:** — We have been calling on your provincial government and now the Saskatchewan Wheat Pool is agreeing with the position we have taken, that notwithstanding assistance from the federal government — and you are suggesting that possibly we could get an announcement early next week — will you as a provincial government be prepared to make some concrete effort toward offsetting these rising costs to the agricultural industry?

**MR. MacMURCHY:** — Mr. Speaker, I'm very happy to meet with Saskatchewan Wheat Pool to discuss with them any proposals they may have for easing the situation with respect to our producers in this province. Mr. Speaker, I indicate to the hon. member that very clearly the responsibility for interest rates is a federal responsibility. And that's not just Saskatchewan talking. I understand that at the premiers' conference in Lethbridge, this was a position generally shared by the four western premiers. I think, that being the case we should put the responsibility where it should be and call on the federal government to respond to the needs not only of the producers in Saskatchewan, but the primary producers right across this country.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — Mr. Speaker, when I met with Mr. Whelan, the federal Minister of Agriculture, I indicate to him a willingness to co-operate in a federal program, to co-operate as a province with other provinces if he has a program to put forward to us. Certainly as a province we'll sit down and examine it with him and discuss it with our counterparts in the other provinces. But surely, Mr. Speaker, the hon. member for Moosomin recognizes the need for a national program at this time and recognizes that while it is their responsibility, certainly we're prepared to co-operate.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Leader of the Opposition):** — The minister indicates that it's a need for a national program. The minister will also know that within our boundaries, we have offered loans to the resource industry at zero interest rates. When it comes to the agriculture sector, we say it's a national problem. You've indicated you have taken a position and I say that's true; all you're doing is posturing. You have taken a position. When are you going to take some action?

**MR. MacMURCHY:** — Well, Mr. Speaker, I don't share with the hon. member, the Leader of the Opposition, that all things must be provincial and no things are federal. I think, Mr. Speaker, there are some things which come under federal jurisdiction. And I say to the hon. member that interest rates, because they are set by a national institution come under federal jurisdiction, just as I say transportation comes under federal jurisdiction, just as I say the Canadian Wheat Board comes under federal jurisdiction. There's a number of items which they would tend to ignore as being federal responsibilities. I don't share that, Mr. Speaker.

I point out to the hon. member with respect to the use of heritage funds in the resource industry we are taking an equity position. I don't know how we can get that clear in the hon. member's mind. With respect to assistance to farmers, Mr. Speaker, I think one of the best programs that this province has introduced for farmers to get started, to expand, is the FarmStart program which was introduced by the member for Kelsey-Tisdale when he was minister of agriculture. That is supported strongly by the farmers of Saskatchewan. I think it's a good program. It's expanded in this budget. It does not address itself to the issue of interest rates, short-term interest rates, which I say is a federal responsibility, and I don't; think we should use FarmStart for that purpose.

### **Farm-Stored Grain**

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Speaker, a question to the Minister of Agriculture. Mr. Minister, in between attending meetings and blaming the federal government you may have noticed StatsCan conducted a survey and they indicate that effective March 31, 1980, in the bins in western Canada was the equivalent of the entire 1979 production. For example, Mr. Minister, they indicate that 91 per cent of the wheat produced in 1979 is still in the bins. Mr. Minister, the cash value of the wheat when it's adjusted (and the oil seed crop) is \$2.5 billion to \$2.6 billion, which amounts to some (at today's interest rate) \$500 million for western Canadian farmers. That amounts to \$40 million per month and it amounts to \$1.3 million per day for western Canadian farmers. Mr. Minister, to Saskatchewan farmers that is about \$800,000 per day.

Mr. Minister, my question to you is this. Since our quota system has obviously been reduced to nothing more than a regulating valve for allowing the grain into a clogged and inefficient system, will you tell us something other than the fact that you are going to have a meeting, and would you tell us what your government plans to do to this terrible \$800,000 in interest that's it's costing our farmers? And at the very least, would you tell us whether you are now prepared to support . . .

**MR. SPEAKER:** — Order, order!

**MR. THATCHER:** — Oh, I'm sorry. I didn't see you, Mr. Speaker.

**MR. MacMURCHY:** — Mr. Speaker, the hon. member for Thunder Creek and I had a discussion during question period the other day on the issue of non-board quotas. I say that after considering the hon. member's question over the weekend and till today, Wednesday, in my mind the government should not change its mind with respect to quotas for non-board grain.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — And I listen to the hon. member, Mr. Speaker, and he's making remarks about quotas for board grain. Clearly, there is a difference of opinion here with respect to the quotas and the use of quotas to bring equities to western producers. I simply don't share his opinion of removing quotas for non-board grains, and I don't think there is any point in continuing the discussion. We believe in quotas for non-board grains, as we do in quotas of board grains, and if there is anything that will congest the transportation system it will be the removal of quotas on non-board grains.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THATCHER:** — Supplementary question to the minister. I note that the minister did not address himself to the question of the \$800,00 in interest which is being lost to Saskatchewan farmers every day. Therefore, Mr. Minister, upon rejecting the board quotas and since apparently you are not prepared to announce any action on the part of your government, I would therefore ask you, since our farmers are in a very difficult position as are most segments of the economy, with this amount of grain on hand right now, which according to StatsCan is the equivalent of 1979 production, would the minister perhaps agree to press the federal government to at least pay our farmers on the farm storage equivalent at the rate that they presently pay to the elevator? In other words, Mr. Minister, will you pay our farmers the same rate to store the grain as the elevators in Canada today are receiving?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — Mr. Speaker, with respect to the issue of farm-stored grain and the issue of the movement of grains. I just point out to the hon. member for Thunder Creek that that's the reason the Government of Saskatchewan took the initiative to purchase hopper cars. I think it's taking the initiative. It was not until Saskatchewan announced its intention to purchase 1,000 hopper cars that we got any movement from other governments in this country to purchase them.

Mr. Speaker, the hon. member knows that available to farmers is the cash advance. Now if the hon. member is suggesting I sit down with the minister responsible for the wheat board or the minister responsible for transportation (I'm not sure which) to

discuss an extension of this program, I'd certainly be glad to do that to assist farmers in their tight money situation.

**MR. THATCHER:** — Supplementary, Mr. Speaker. since the minister has apparently skirted the issue there, I would like to ask him further if, in light of the fact that elevator companies were allowed by the Canadian grain commissioners to increase their tariffs if they so wished at a rate almost comparable to the benefits of the crow rate, he would not agree that the time has now arrived for the farmers (who are forced to store their grain) to receive the same consideration the elevator companies are getting from the Canadian Grain Commission?

**MR. MacMURCHY:** — Mr. Speaker, I responded to the hon. member with respect to the issue of payment to farmers for farm-stored grain. The program has been in effect for some time. If the hon. member is suggesting that it be expanded, certainly we're prepared to do that. I think the question raised by the hon. member for Bengough-Milestone related to this.

I ask members opposite, including the hon. member for Thunder Creek, to consider what the issues are with respect to income for farmers. Clearly one of the issues that farmers are facing is the drop in grain prices as a result of the imposition of the embargo by the Conservative government in Ottawa, supported by the Liberal government today. I think that the hon. members opposite should be addressing the federal government with respect to this issue and asking them how the farmers are to be compensated for the loss of, today, about \$1 per bushel.

### **Overdelivery of Grain to Purchase Farm Products**

**MR. R.H. PICKERING (Bengough-Milestone):** — Mr. Speaker, last Thursday I asked the Minister of Agriculture a question relating to overdelivery. Now that he has had time to review this situation, would he not think, in light of the fact they were being charged as farmers \$800,000 per day, as the member for Thunder Creek mentioned, that this would not be significant help to the farmers today?

**MR. MacMURCHY:** — Mr. Speaker, I respond to the hon. member for Bengough-Milestone that my understanding is that the minister responsible for the Canadian Wheat Board is seeking a meeting with representatives of our government in the very near future. Certainly, as I indicated to the hon. member for Thunder Creek, we'll put this issue before him.

**MR. LANE:** — Supplementary to the minister. We have over the last couple of months endeavoured to get some response of positive action from the provincial government. Are you not (by your constant answer that interest rates are a federal matter) telling the people of Saskatchewan that there is no role for the provincial government to play to assist our small businessmen, our farmers, our home-owners, and our unemployed?

**MR. MacMURCHY:** — Mr. Speaker, I respond to the hon. member for Qu'Appelle as I responded to the hon. member for Thunder Creek on this issue that while we take a very clear emphatic position that it is a federal responsibility, Mr. Speaker, I have indicated to the federal minister we certainly are willing to co-operate in a program to alleviate the situation. We are willing to co-operate with the federal government and also in co-operation with our fellow provinces.

**MR. SPEAKER:** — I just want to remind the member for Qu'Appelle the question that

was asked was with regard to over-delivery. The question the member for Qu'Appelle asked as supplementary was on interest rates and I don't get the connection. If the member wants a new question he should not raise it as a supplementary in an attempt to get a question in that manner.

**MR. LANE:** — A question to the minister. Would the minister not further admit, that the answer he has just given of a commitment to co-operation is in fact a clear and unequivocal statement by your government that it has no plans, no policies, no programs and no initiatives to help the small businessmen, the farmer, the home-owners and the unemployed of this province.

**MR. SPEAKER:** — Order, order. The rules are very clear for the question period and I will just refer the members to them.

Questions must be asked without preamble or a speech or be in the nature of a debate.

Now I think the members clearly have seen earlier today when the member for Thunder Creek was asking a question and the Minister of Agriculture was responding and the member for Thunder Creek was asking a further supplementary, the kind of position we get into when debate is allowed. Members insist on debate on questions; ministers insist on debate in response and we get into a debating period. That is not the purpose of the question period. I would just refer members to the rules that govern the question period.

**MR. MacMURCHY:** — To shorten up the discussion perhaps, I have a brief in front of me. It was presented to the Government of Saskatchewan by the Canadian Federation of Independent Business. On page 7 it reads as follows, and it refers to the four western premiers talking about the issue of high interest rates and the economy. It says:

The federation supports the premiers' call for a national economic strategy aimed at addressing the current economic malaise.

It goes on to say that:

The high interest rate has not been ignored by the Government of Saskatchewan. The variety of measures announced in recent budgets to alleviate the tax burden will help small firms by freeing up more funds to re-invest in their business.

**SOME HON. MEMBERS:** — Hear, hear!

### **Environmental Impact Study**

**MRS. J.H. DUNCAN (Maple Creek):** — Mr. Speaker, a question to the Minister of the Environment. On Monday I asked if your department was prepared to do an independent environmental impact study on the Great Sand Hills given the proposed activity in that area. Your response was and I quote from page 2287 of Hansard:

The environmental impact assessment is done by the project proponent and reviewed by the Department of the Environment.

Mr. Minister, do you not believe that rather than having the project proponent provide

the environmental assessment, perhaps your department through its officials or through contractual services should do an independent assessment?

**HON. MR. G.R. BOWERMAN (Minister of the Environment):** — Mr. Speaker, I also indicated the other day (I believe) that if the member wished, I would get further information for her and provide it to her. I did seek, that information from the department. I had some material here I was going to send over and discuss with her at a later period. With respect to the question raised today. I am advised that because of the importance of the Sand Hills area, some baseline study was done or recommended by the department (the resource management ecology and land use in the Great Sand Hills) and they were using that as a basis for the advice of the direction of those project proponents who would be putting forward environmental assessment statements. So while we have considered the issue of the Sand Hills and the importance of the, we still do not believe it is the responsibility or the duty of the Department of the Environment to do the studies on behalf of the project proponent. We think we would find ourselves in a conflict of interest situation if we were to do that and after having done the study attempt to make decisions with respect to the project by the proponent. So, Mr. Speaker, no, we do not agree that the Department of Environment should be doing the study.

**HON. E. KRAMER (Minister of Highways and Transportation):** — Mr. Speaker, may I add some more information to that? I believe the member for Maple Creek is under the impression . . .

**MR. SPEAKER:** — Order. I'll allow the supplementaries.

**MRS. DUNCAN:** — Mr. Minister, did the project proponent or proponents provide your department with an environmental impact assessment before they commenced draining the lakes in the Key Lake project?

**MR. BOWERMAN:** — No, they did not provide an environmental impact assessment before the lakes were drained because the draining of the lakes was part of the exploration of the area at Key Lake. The exploration that needed to be done and the environmental impact study which needed to be done, obviously had to have some prework for the analysis, for the assessment, and for the statement to be written. Therefore, draining of the lakes was part of that part of the writing of the impact assessment and part of doing the study of the impact assessment. So clearly, Mr. Speaker, one could not be asking if we were to have an environmental impact assessment on the draining of the lakes, and surely there would be no beginning to environmental impact assessments. Where would one begin in order to undertake any project proposal at all?

**MRS. DUNCAN:** — A supplementary, Mr. Speaker. In light of our answer, Mr. Minister, would you not agree that the public's perception of your department is that your involvement in environmental concerns or dispute is always after the fact, and that your department's track record to date is not very good?

**MR. BOWERMAN:** — Well, I would disagree of course, Mr. Speaker, to the question and to the proposal the hon. member makes. There is no question about the fact that. . .

## **MINISTERIAL STATEMENTS**

### **Payments to Saskatchewan Hog Assured Returns Program**



**HON. G. MacMURCHY (Minister of Agriculture):** — Mr. Speaker, I am pleased to inform this Assembly that a payment of \$602,708 will be made available to hog producers enrolled in the Saskatchewan Hog Assured Returns Program.

Payment is for the marketing period January 1 to December 31, 1980. Cheques are being mailed to 569 producers for 45,899 hogs. The average payment will be \$13.13 per hog, with an average payment to producer of \$1,059.23.

SHARP is administered by the Saskatchewan Hog Marketing Commission on a fee-for-service basis. Mr. Speaker, this is the second major pay-out of the program since it was introduced in 1976. The first, hon. members will recall, was made after the fourth quarter of 1979. At that time producers received an average of \$450 per hog and an average of \$300 per producer. The ability to make payments to producers when they really need additional cash flow is one demonstration of a sound stabilization program. SHARP is available to all Saskatchewan hog producers, provides a reasonable minimum price based on the cost of production. Producers contribute to the plan during the period of good prices. Payouts are made when prices drop below the SHARP support price. The provincial government matches producer contributions. Hog producers who are not currently participating in SHARP are still able to join. Although the plan will terminate December 31, 1980 new entrants who join in this quarter will receive some measure of protection the last two quarters of 1980. However, full benefits can be obtained only by those who have participated fully in the program for more than four quarters.

I have been advised that all finished hog producers are likely to be eligible for payment sometime during the next two months under the federal agricultural stabilization act, for hogs marketed in the 12 month period preceding December 31, 1980. The federal payment by itself will be inadequate. However, along with the SHARP payment it should help provide a satisfactory level of cash flow until market prices improve. Mr. Speaker, I am continuing discussion with the federal minister on a meaningful national stabilization program for the future. These discussions are important because of the scheduled termination of SHARP at the end of this year, and I'm hopeful that the federal government will recognize its responsibility to hog producers, and come up with an adequate national plan by next summer.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Leader of the Opposition):** — Mr. Speaker, I think this is the second quarter that the Minister of Agriculture has announced a fairly sizeable payment under the SHARP (Saskatchewan Hog Assured Returns Program) program. Although I agree that it's right and proper that this program should exist, it's voluntary and contributory, and I think the minister doesn't have a lot to brag about by suggesting that hog prices have reached the point where stabilization subsidies are required. The other point I would like to make, Mr. Speaker, is the fact that although everyone admits this particular program is a good program, and most hog producers do in fact belong to it on a voluntary basis, the minister has now announced twice that he's going to terminate this program at the end of this year. And there's no guarantee that there'll be anything from the feds or any place else to take up the slack. I think it's just another indication of the priorities of this government, and they certainly don't lie in agriculture.

### Saskatchewan Telecommunications

**HON. MR. D.W. CODY (Minister of Telephones):** — Mr. Speaker, it's a great pleasure that I have today to make a statement to the House on an item respecting Saskatchewan Telecommunications. As you know, the provision of telephone numbers which may not be listed in the telephone directory is a necessary service of any telephone system. I am pleased to announce the introduction this week by Sask Tel of a new computerized directory assistance system that will increase the efficiency of this service and, at the same time, provide substantial savings to the corporation. The new system utilizing small TV-like screens and keyboards will replace the book-type directory assistance service. On Sunday this week, this new system was introduced in Regina, Saskatoon, and Prince Albert. Over the next three weeks similar computerized directory assistance terminals will be put into service in Moose Jaw, Swift Current, Weyburn, Estevan, Melfort, North Battleford, and Yorkton. By May 18 all calls to director assistance in our province will be answered by operators using the computerized system. An average of 50,000 calls for directory assistance are received daily.

Mr. Speaker, the cost of this new system will be \$2.8 million and it is estimated that the new system will pay for itself in three years. This will be primarily as a result of the savings achieved because directory assistance books will no longer be constantly reprinted to accommodate the approximately 2,000 changes which occur daily. The changes will now be stored in the memory of the computerized system. I would like to point out that similar computerized systems have been in use by telephone companies in Alberta and British Columbia for several years and a system will be introduced in Manitoba later this year.

The system in British Columbia, as we understand it, has realized a savings of 25 per cent over the book system in the last year. Mr. Speaker, I think it's another sign where a Crown corporation in Saskatchewan is giving good service to the public and realizes its cost saving at the same time.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — Mr. Speaker, I'm pleased to hear the announcement of this computerized director and the minister saying that it will pay for itself in three years. I think this is a step forward. I would ask the minister though to consider a speed-up or some way of improving the long distance dialing. I use a credit card myself and many times I have to wait a long period of time until there's an answer. If there's some way you could speed this up I think this would be welcomed by the people of Saskatchewan because it is rather an inconvenience. I think another thing is that we don't want to see any further regulations in our communications and seeing that you've computerized the directories, I'd say if you take the next step in getting the television to Saskatoon you'd be serving the people of Saskatchewan.

**MR. SPEAKER:** — Order, order! I want to take this opportunity to remind the members that response to a ministerial statement should be a brief, strictly relevant comment and a debate cannot take place. Members, I think, should stick to factual statements on the minister's statement and they should not stray from the minister's statement. I recognize the Minister of Northern Saskatchewan.

### **Northern Forest Fires**

**HON. J.A. HAMMERSMITH (Minister of Northern Saskatchewan):** — Mr. Speaker, I wish to inform the House that as of 10:15 a.m. today, there were 41 forest fires burning in

the province. Twelve new fires were reported and seven have been extinguished in the past 24 hours. We have 750 persons with hand tools and pumps working on these fires along with 11 helicopters, 3 Grumman tracker air tankers, 3 Canso water bombers, 22 bulldozers and 3 swamp tractors.

I'd like to also inform the House regarding contingency plans for additional fire equipment if needed. There's an agreement with Alberta and Manitoba providing for initial attack on fires within 10 miles across provincial borders if the neighbouring province is in the best position to take initial action. Costs are recovered from the province in which the fire occurs and that province follows up with subsequent action.

There is an agreement among all provinces for the use of aircraft on 24-hour call. In 1977 Saskatchewan obtained two Cansoes from Ontario under this agreement. In 1978 Saskatchewan sent one tracker team to British Columbia and in 1979 one tracker team to Fort Smith, Northwest Territories. We presently are using one Canso and one Bell 204 helicopter which are under contract to Ontario. Legislation allows us to conscript aircraft and other equipment if necessary. We have made telephone contact with all helicopter companies west of Quebec regarding availability of machines. Arrangements have already been made for a Bell 205 helicopter to come from Hughes Airways in Ontario and one S-58 helicopter from the Nahanni Helicopters in Winnipeg. One S-55 from Athabaska Helicopters is now working and one more is coming later today. All 5 of Athabaska's Bell 206 helicopters are working. One Bell 206 helicopter from Apex in North Battleford is working; one Bell 204 helicopter will be arriving at the end of the week.

Two Hiller 12-E helicopters from Thompson Helicopters in Buffalo Narrows are working and two DNS Cansoes started operation yesterday — one at Meadow Lake and one at Buffalo Narrows. The third is ready to go if needed. I think that is an indication, Mr. Speaker, that the Department of Northern Saskatchewan has the forest fire situation well in hand and has contingency plans well laid out for any unforeseen circumstances.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, just briefly I would add these comments to the minister's statement this afternoon. I would say that we are very pleased on this side of the House to see that the minister has taken some action in putting together the situation as it relates to aircraft which will be used for the suppression of fires in northern Saskatchewan.

Our member for Rosthern raised the issue in the House. It surely has brought the matter to surface. We appreciate the minister standing up this afternoon and give us a report although the member for Rosthern informs me that there are, I believe, three aircraft still on the ground in Calgary which could be used as well for the suppression of forest fires here in Saskatchewan. I think all members of the House realize the urgency of the matter in starting an all-out war to contain the fire situation in the province and particularly in the North. We appreciate the comments coming from the Minister of Northern Saskatchewan.

## **STATEMENT BY MR. SPEAKER**

### **Letter Received from Legislative Assembly of Manitoba**

**MR. SPEAKER:** — Before orders of the day, I would like to apprise the members of the Assembly of a letter which I received. It is from the Speaker of the Legislative Assembly of Manitoba and it is addressed to myself. He says in the letter:

I'm enclosing one-half dozen copies of Hansard of last Thursday for information purposes only. On that particular day the hon. member for Virden, Mr. Morris McGregor, introduced a resolution expressing greetings and congratulations to the legislature and the people of the province of Saskatchewan and the province of Alberta on the occasion of their 75th anniversary. This resolution is still on the floor and once debate has concluded a formal message will be forwarded.

I send this to you now only to indicate the warmest feelings that exist in the province of Manitoba for our sister provinces, Saskatchewan and Alberta. I wish you continued success and look forward to meeting you in the near future.

I remain sincerely yours, Harry E. Graham.

I am distributing copies of this Hansard to the Premier, the Leader of the Opposition, and Leader of the third party and the Clerk, who is the secretary of the Commonwealth Parliamentary Association.

**SOME HON. MEMBERS:** — Hear, hear!

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

**Item 1 (continued)**

**MR. CHAIRMAN:** — Order. When we adjourned the other day we were dealing with the Department of Co-operation and Co-operative Development, item 1.

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — Well, as the minister notices, our critic is meeting his students right at this time. I have a few questions I would like to ask, so we could proceed with this.

Mr. Minister, in your department I noticed in the last while there has been considerable emphasis upon education. It is on this aspect that I want to ask my questions. I certainly am in support of any type of education. I don't know if it is a really sincere desire on your part to provide education or if you are grooming yourself for the ministry of education. Time will only tell what will come about.

In your estimates here, I would imagine that there are . . . Well I'm sure they are all budgeted. I would like to find out where some of these costs are and just how much has been budgeted for the various co-operative educational programs. Mr. Minister, I have noticed the galleries have been full of students over the past while. I think it is good to have students come to see the legislature. We all welcome them and hope they gain some profitable experience from their visit here. I was wondering, did you department give a grant to the local co-operatives to assist them in bringing these students in to visit the Co-op refinery, the Co-operative Programming Network and the legislature. I think they go to two or three other places but my memory fails at this time to recall them

all. Where is the grant and how much is it, if there is such a grant?

**HON. D.W. CODY (Minister of Co-operation and Co-operative Development):** — Mr. Chairman, no we did not give any grants to these people. Our people in the Department of Co-operation and Co-operative Development of course guided them to these various co-operative areas, however there was no direct grant made to a group of students or to the various organizations to have these tours.

**MR. TAYLOR:** — I notice you gave them a package of handouts at the door of the legislature. Are those through the department of co-operation? If they are, what is the cost of those?

**MR. CODY:** — Well basically speaking they are packages which are made up at the department, however they are made up from materials obtained from the various co-operatives. The only thing in there from the department is the regular pamphlets. We have given nothing in addition to them. Basically speaking the tours themselves were all paid by the local co-operatives and credit unions.

**MR. TAYLOR:** — You are telling me in this package of handouts there is nothing new. Do you have a cost on what they are?

**MR. CODY:** — There is really no cost to us. It is just one out of the regular pamphlets we have. We didn't make any additional or extra pamphlets to put in these particular bags.

**MR. TAYLOR:** — Your next thing then would be on co-operation in the community, the program that was discussed quite considerably, that has been implemented in the Department of Education as a resource from Grades 2 to 6 I think. What was the cost to the Department of Co-operatives in printing and providing that program — everything in connection with that program?

**MR. CODY:** — You are talking about the co-operation and community life resource material which we sent to the schools. Is that the one you're talking about? In 1979, the cost of completing the co-operative materials — now I can break it out here for you if you wish — was \$19,351.13. There were 100 copies of Co-operation in Community Life for \$2,021.30; then there were an additional 1,000 ordered later on. Those cost \$20,414.74, for a total of \$41,797.17.

**MR. TAYLOR:** — The \$19,000 was for the original ones. I understand you purchased this from Manitoba. What did you pay for the program from the Manitoba government?

**MR. CODY:** — We didn't purchase them directly from the Government of Manitoba. They were purchased by the Co-operative College of Canada, and we paid the Co-operative College of Canada \$29,000.

**MR. TAYLOR:** — \$29,000 over and above the \$41,000 that's there, Mr. Minister?

**MR. CODY:** — Yes, that's right.

**MR. TAYLOR:** — Am I correct in assuming that the total cost of that program put into the schools was \$70,000 then, the \$41,000 plus the \$29,000? Is that a correct assumption?

**MR. CODY:** — \$79,000 is correct for last year.

**MR. TAYLOR:** — For last year. Now is that the entire expenditure that you see on the program, or do you have some more for this year on this program? I'm talking about Grades 2 to 5.

**MR. CODY:** — There'll be \$69,000 in the coming year for consultant fees (who are the teachers we second from the various school boards) and \$31,000 for materials.

**MR. TAYLOR:** — These consultants — you've had to hire them as extra staff to introduce this program to the schools in Saskatchewan?

**MR. CODY:** — This is correct.

**MR. TAYLOR:** — How many of them/

**MR. CODY:** — Three.

**MR. TAYLOR:** — What salaries do you have them at, Mr. Minister?

**MR. CODY:** — \$21,000; \$23,000; and \$24,000.

**MR. TAYLOR:** — I assume that these people are qualified teachers, people with experience and education who would be introducing this program, and holding workshops and so on on it?

**MR. CODY:** — One has 8 years experience; one has 7; and one has 5.

**MR. TAYLOR:** — I understand you have another program that you have introduced and that is a program on seminars and co-operative games. Is that through your department? These games where nobody wins or loses?

**MR. CODY:** — Yes, that's correct.

**MR. TAYLOR:** — How much have you budgeted for this, and what staff you have to carry these out, is it the same consultants?

**MR. CODY:** — \$10,00 is what we have budgeted for that.

**MR. TAYLOR:** — That is for a consultant or someone to carry out these workshops and to host them? That seems a very meagre amount.

**MR. CODY:** — Basically speaking it is for materials. However, we did have a consultant in for six days and when we say a consultant it was Dr. Terry Orlick from Ottawa who is a world renowned individual on co-operatives games and co-operativism period. He was here for three days in Regina and three days in Saskatoon to put on some kind of a seminar for people on the recreation boards, day cares and people interested in a different type of game than the adversary kind of game and that is the co-operative game.

**MR. TAYLOR:** — I noticed a picture in the paper about them and I'm kind of interested. Where do you see these games being introduced. Are you planning to take these to the school systems? Is that through the community recreational boards, day care centres?

What are your plans with this program of co-operative games?

**MR. CODY:** — Basically it is open to all sports-minded people to speak, however the introduction will be in recreation boards, people who deal with all measure of people who come to them for sports. A lot of it will be in day cares; a lot will be done by recreation boards. It is basically a volunteer thing; that is why we had the seminars to introduce the program to them. Then if they wanted to have it they could come to us to continue with it.

**MR. TAYLOR:** — The next thing then is the program. I believe you have started to introduce this now and I think it is to be designed for Divisions 3 and 4. I think there are three books involved with it; in fact your department is supposed to be sending one over to me. Is it your intention to put these resource materials in every high school in Saskatchewan?

**MR. CODY:** — The answer is yes. Just one other answer I can give you while I am standing, the participation was a matter of 400 people in those seminars which we had in both Regina and Saskatoon.

**MR. TAYLOR:** — Would you outline a bit to me about the Division 3 and 4 resource package? What is the cost of that? Are you going to hire consultants to introduce this? What will be your total projected cost for bringing this in this year?

**MR. CODY:** — The cost is included in the other materials. So it is not additional costs. It is included in the cost of material that I outlined to you before on co-operation community life, just another section of it. That has all been purchased and dealt with. This is just another section to it. Basically the program is in three areas: humanities, social studies and economics. The specifics of the individual resource material, I can't really give you because I don't have it here but basically those are the three areas which it will cover: humanities, social studies and economics.

**MR. TAYLOR:** — Now, was that part of the original Manitoba program that the co-op college has brought?

**MR. CODY:** — It is the original purchase.

**MR. TAYLOR:** — It seems strange that in one department you are hiring educators to go out to bring these co-op games — well not the games so much but this curriculum — into the schools and on the other hand I've just been questioning the Minister of Education for laying off some very experienced people. It's a wonder that they couldn't have done this, but I'll just put that in as a comment.

Looking down your expenditures I notice you have two here that you did not have in 1979-80 and one is for grants for co-operative development — \$50,000. What did you do with that \$50,000?

**MR. CODY:** — That's general seed money for new co-operative initiatives. If a co-operative is going to be formed and they have need of seed money, maybe \$500 or \$1,000 to do some research work among themselves to get organized, that's the kind of thing it will be used for.

**MR. TAYLOR:** — I notice your officials are giving you some more information, so if you want to give it to me in your next response that's fine. My other question is that you are

budgeting \$100,00 for the co-op college. How do you plan to expand those dollars?

**MR. CODY:** — The co-operative college one, that's going to be the first time the government has ever given a grant to the Co-operative College of Canada and basically it's for programs which we will, together with the Co-operative College of Canada, design and have them teach to individual people.

Now, it may well be for such things as board of director training. It may be for government people — training them about co-operatives. We are going to specifically look at native people in two areas: urban native people and northern native people. And we want to develop courses on how these people can get into the mainstream of society on a co-operative basis and we're developing these programs (they're of course not developed yet; we're just in the talking stages now with the directors in the education area at Co-operative College of Canada in Saskatoon) and as soon as we have them developed we'll be giving the funds to co-op college for them to disseminate the program.

**MR. TAYLOR:** — I would assume that these will fit in as part of the whole package of this government on native education, the emphasis on that. The question I'd ask you is what other plans and what other things do you have in mind to infuse into the school systems of Saskatchewan? You've come out with the program from kindergarten to Grade 6 and now you have the resources in the high schools. I see you're doing co-operation with the natives — co-operative games that can be included in the school. What other things do you have in mind, if any?

**MR. CODY:** — Well, at this particular time we have nothing in mind whatsoever. We think the co-operative resource material which is now there and that which will go forward into the schools will be ample to give them the kind of material they should have had for years, because it's good to have programs or materials which give the person the opportunity to learn about how to co-operate better with people and how to have better co-operation. It's not necessarily to say how you shop at your co-op store. That's not the idea at all. This is a different type of material than that completely and we think the material we have now developed together with the Co-op College of Canada will be sufficient. Our plans are to do nothing further in this regard.

**MR. R.A. LARTER (Estevan):** — Mr. Minister, I just have a few question. I noticed the package and it's a very nice one which was put up to hand out to the students when they come in. We talked a little bit about it today. Are these packages handed out to every student that comes to the Legislative Building?

**MR. CODY:** — Just those who are here on a co-operative tour. Not every student who comes from a school, just those who are here on a co-operative tour which will touch base with our department and have one of our department people guide them through the various co-operatives.

**MR. LARTER:** — Mr. Minister, do you know (this may not be the position to ask) if, say, the Chamber of Commerce, with literature from Degelman and different manufacturing firms or stores around town, were to do this, would the Legislative Assembly hand those out for them too?

**MR. CODY:** — I don't think the Legislative Assembly would hand them out. They didn't hand these out either. This was the Department of Co-operation and Co-operative Development. If Degelman or someone else wished to put some material together



maybe the Department of Industry and Commerce would do it. I wouldn't be knowledgeable on that. The Legislative Assembly, I don't think would do it in any case. That is obviously not their job. We did it in the department.

**MR. LARTER:** — Mr. Minister, I think that employees of the Government of Saskatchewan, of the taxpayers, do hand them out. That is proper isn't it?

**MR. CODY:** — Oh, I guess the taxpayers must be putting money into the co-ops budget and the budget of the co-ops paid the salaries and the people who are receiving those salaries are obviously civil servants. So I guess you can say that. But it's a different type of people than you have there in the Legislative Assembly.

**MR. LARTER:** — The point I was making, Mr. Minister, is that if the department of co-ops is being afforded the privilege of a hand out bundle to students, sponsored by the co-ops, would it be reasonable to assume other groups in town could have the same type of package handed out by the guides when they finish their tour in this Assembly?

**MR. CODY:** — I can't really answer for another department of the government. It's pretty difficult for me to do that. If you look at what we're involved in, in the Department of Co-operation and Co-operative Development, it's just that co-operative development. The reason we hand out a little bit of a bag, or whatever you want to call it (it has a little bit of material in about co-op development, about various co-operatives) is because that is our business in the Department of Co-operation and Co-operative Development. We are out there trying to foster and develop more co-operatives because that's our department's business. In that regard, I think we have done a very good job in giving that material to the students who were here to foster the development of co-operatives.

I'm sure if some other department want to foster a development they're involved in, they may wish to do that. I can't answer for them. If I had another department I would say yes. If you were asking me, could you hand out some material on telephones, I would say certainly you can. I can't answer for, let's say, industry and commerce.

**MR. LARTER:** — I think the minister knows what I am getting at. I think the minister knows it's in everyone's interest to keep politics out of co-op and I'm trying to do just that. I'm trying to get the minister to indicate that possibly it's fair for everyone to do that same thing.

I would like to ask the minister, does this department fund some of the co-operative day care centres around the province?

**MR. CODY:** — No, we don't fund day cares. And we have given no seed money to day cares. We have given very small amounts of seed money to play-school co-operatives.

**MR. LARTER:** — I was just asking because I am interested. I think these day care centres, and we have a co-operative one in Estevan, are doing a very good job. I was just interested to find out what type of funding they were getting.

Mr. Minister, does your department in any way have anything to do with CCIL?

**MR. CODY:** — Yes, we did.

**MR. LARTER:** — You did or you do?

**MR. CODY:** — We did and we do.

**MR. LARTER:** — Now, can the minister tell me what has happened now. A while ago, I believe a year or two ago, when CCIL was doing some refinancing, the Government of Saskatchewan gave assistance, either through this department or through the credit unions through a loan. I can't remember. Can you tell me what has happened there?

**MR. CODY:** — Yes, the Department of Co-operation and Co-operative Development of course has administered The Cooperatives Loan Guarantee Act and as a result we have guaranteed certain funds to the organization. And we have Lloyd Warkentin, one of our directors, on the advisory committee.

**MR. LARTER:** — I wonder, Mr. Minister, what was the amount of money your department guaranteed at the time CCIL was refinancing?

**MR. CODY:** — We in Saskatchewan guaranteed \$2.625 million. Manitoba guaranteed \$2.8 million. Alberta guaranteed \$1.575 million. And the federal government \$8 million.

**MR. LARTER:** — Is Mr. Warkentin with you today and if he is, would you ask him what the status of the CCIL retail business is throughout Saskatchewan at the present time as compared to what it was when the refinanced?

**MR. CODY:** — Well, they have done a fantastic job since they were aided by various governments through this country, that's for sure. The earnings were up greatly in 1979, and after all was said and done and after expenses they made \$1.6 million. That's a pretty significant amount of money in view of the fact they were in some real deep trouble the year before. I understand their sales increase was 26.1 per cent over the year before.

**MR. LARTER:** — Did you say \$1.6 million? Was that gross or net profit?

**MR. CODY:** — That is net profit. That's correct.

**MR. LARTER:** — Wasn't it something like \$24 million that CCIL was in the hole when they asked for this help? Wasn't it something in that neighbourhood?

**MR. CODY:** — No, it was not that kind of money as I understand it but I'm a little hesitant about giving their business here. I don't know if that's cricket or not. We naturally have it here but I guess it's not really for me to say what CCIL is doing.

**MR. LARTER:** — Mr. Minister, is Mr. Warkentin in his role as a director on this board satisfied with the machinery CCIL has now as the basis of all of their equipment that they sell? Are they satisfied now that they have the equipment they want and are not going to be changing equipment such as tractors and combines again and undermining the confidence of the farmers they are dealing with?

**MR. CODY:** — No, I don't think so. I think the line of machinery they are handling is a good line of machinery. I don't personally have any. I don't have any need for any but as I understand it it is a good line of machinery. I know their Deutz tractor certainly is a very, very good one. As I see it, no, I don't think they are undermining anyone in that regard. I

think it is a matter of, as the member likes to have it, a good solid, competitive business. I guess that is the type of thing it happens to be in this regard.

**MR. LARTER:** — No. The reason I asked is because there have been some bad errors of judgment in the type of equipment they purchased from overseas markets in the past. I am just wondering if CCIL has settled down and has a line of equipment which it is going to draw on for quite a number of years. I do resent them using that other green line slogan. I could say that because I think they have a long way to go

Could the minister tell me how many retail outlets you have in CCIL in Saskatchewan?

**MR. CODY:** — Really we don't keep any information here on CCIL. Mr. Warkentin is only on an advisory committee. He is not on its board of directors. As a result of that, we don't have this information. But we will certainly get the information for you and give you the names of the places which CCIL has. We can do that for you but offhand we don't carry any of CCIL's information with us.

**MR. LARTER:** — Mr. Minister, I just wanted to have a little better picture of CCIL because they are competitors to a lot of implement dealers in the province. I think they have to be good competition in order to be responsible to the farmers. That was my only concern. I am satisfied with the answers.

**MR. H.J. SWAN (Rosetown-Elrose):** — I just wanted to ask the minister if he would supply to me copies of the booklets you are going to be putting into the schools and a copy of the program you are going to introduce to the co-op college? I am interested in education. I would like to see what the programs are and what you are going to be teaching.

**MR. CODY:** — I suppose if we do with the hon. member as we do with the schools which didn't get their material on the first crack around we will charge \$20. That is our natural charge. But I think in this particular case we would be quite happy to send along the material in co-operation and community life. I don't think there is any question that you should have that if you are interested in it. Any other materials we can get you, we certainly will.

With regard to the co-operative college program, it is not developed as yet. We are just in the development stages. But as soon as we get some outline of the program, we are certainly willing to send that along to you so you have it for your reference.

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Minister there are just a couple of questions I want to ask with regard to CCIL. I thought I would hold them in abeyance until such time as my colleagues were finished with the questions they wanted to ask.

I look at the figures and I see there would be in the neighborhood of \$15 million injected into CCIL. I appreciate your comments that there was a 26.1 per cent sales increase. When I say I appreciate your comments, what I am saying is great, glad to hear that CCIL's sales are increasing. You quote a figure of 1.6 net profit. That as well is a good indicator. I think certainly with the amount of money injected we need to see some results and positive results with CCIL. I would feel personally that 1.6 net profit is in the category of a positive return on that particular investment.

There is one concern I have, and I suppose that comes out of an overall concern which I have for co-operation and co-operative development in the various co-ops. The

concern is that they maintain their viability, their local autonomy, their independence, and so on and so forth. So I think the question I have relates to a particular program now that CCIL has to enhance sales during this period of peak interest rates. I say peak — peak relative to any other time we have had interest rates in this country. They are offering a reduced interest rate for a period of time (I think it is a couple of months), and I'm just curious to know (and I'm hopeful that this is not going to result in any loss to CCIL in any way, shape or form) if, in fact, the increased sales will offset the decreased interest they are going to have to bear as a company.

I would just ask you to respond to that particular question first, because I say here we have a company we injected money into at a time when they were facing bankruptcy, and now in tough times in terms of interest rates, with sales down on new machinery in the machinery industry, we see one company (the one which was close to bankruptcy into which a lot of public funds have been injected) offering machinery at a lesser interest rate than say, some of the other major companies.

I'm just wondering, if they can do that, why can't the other ones? I suppose that's one question. Also is this jeopardizing the taxpayers' money which we have invested in CCIL in any way, shape or form? I suppose that is basically the question.

**MR. CODY:** — First of all, I think we have to remember that these are support funds, funds which must be paid back, not a subsidy or a grant. I'm not all that familiar with CCIL, naturally, because I'm not on their board and we don't have anybody on their board; it is an independent company to the government. It is just that we gave some support funds to them, but one has to keep in mind that we are in a state of difficulty in the machinery business in Saskatchewan, Alberta and Manitoba. There is no question about that. There is a fierce competitive market out there, and at this particular time, I think if you went to all of the machinery companies you would find that they are building up large inventories. In order to reduce those inventories which are very costly to keep they certainly must do some measure of marketing.

One of the marketing techniques is of course, by subsidizing interest. One of them would be by reducing their price. There are many, many techniques one can use with regards to marketing. But certainly, I think the funds we have put in (and I'm sure the other governments would say the same) are safe. We think the company is reasonably buoyant, but at the same time I don't think one would want to think for a moment that there couldn't be some storm clouds on the horizon, simply because of the economic times we are in. We are in some tough times. There is no question about that, but at the same time I don't think our funds are really any different, in so far as being safe is concerned, than any others.

I think if you look at some of the other machinery companies such as Case and John Deere, you will find they have done the very same thing, obviously marketing techniques again, and I think these are things these people have to do to stay afloat, if they want to reduce the inventories they have on hand.

**MR. BIRKBECK:** — Mr. Chairman, I appreciate the comments by the minister. I would just ask another question in this particular vein, and that is with regards to the loans which were made. I understand they were made under The Co-operative Loans Guarantee Act. What is the repayment? Is there a repayment schedule set up for CCIL to repay that loan? If so, I would like to have the repayment schedules, and I would like to know if they are in arrears at all on those repayments of the particular loans which were given during their brief period of bankruptcy?

**MR. CODY:** — Yes, it is based on a formula and the formula is based on cash flow. Within that formula there was no need to have any money paid back last year, so as a result there was none paid back last year. That goes the same for all of the provinces, the formula is the same for all of us.

**MR. BIRKBECK:** — Mr. Chairman, I don't dispute the minister's answer — that there is a formula in place for repayment and in accordance with their cash flow last year, they were not called upon to make any repayment. Now, if your figures are correct that they made a 1.6 net profit — you know, I have one of two things. I have to have the formula so I can ascertain in my own mind what kind of net profits CCIL is going to have to make to employ the formula so I know in fact that CCIL is acting in good faith and that the security of the company is going to be maintained in the interests of the farmers it serves. I would ask for one or the other, either the formula so that I can make my own calculations, or some indication from you as minister, as to what kind of net profit the CCIL is going to have to make to repay the loan. I think it is in the interests of farmers to have that information.

**MR. CODY:** — As I understand it (and I'm not 100 per cent familiar of course) under the formula they have no repayment schedule as long as there are capital improvements and research and development is going on. When that is no longer going on, of a substantial nature, and if that research and development and those capital improvements do not eat up all of the profits, there will be no repayments.

**MR. BIRKBECK:** — Mr. Chairman, there is one of the things which bothers the opposition to some extent. Not too long ago, only a few moments ago, you said it wasn't an outright gift and it wasn't a subsidy to the company. I accepted at face value that it wasn't a subsidy, that it had to be repaid. Those were your words. Now in essence what you are saying is that they don't have to repay it. Not at all. If I were in management of CCIL I would make darn sure that my capital improvements and research were eating up the profits to the extent that I would never, ever have to pay back the loan. There is no question that there is an inconsistency on your part as you are outlining CCIL's position. There is no consistency whatsoever. Either they have to pay back the loan or they don't. You have given me both answers, one saying yes and one saying no. I can't accept that. I have to have it one way or the other. Certainly I am not going to accept that, Mr. Minister, as an answer. I just ask you to take another run at it to see if we can't come to some agreement on this.

**MR. CODY:** — Well, I suppose one should clarify the situation. First of all, it is a loan. The loan of course has interest accumulating all the time. The loan has an interest rate of prime plus 1 per cent. That is the interest which has been accumulating from the time the formula was drawn up and the funds were given to them. I indicated to you, however, that the repayment schedule indicates that as long as there are capital improvements and research and development going on which take up the profits there will be no repayments. That repayment will not be to Alberta, Manitoba or Saskatchewan, because the formula is the same for all of us. It is a matter of the three governments feeling it was necessary to give this type of formula so that the company could get on its feet. They wanted them to have capital improvements and a better design of machinery and projects. They also wanted to have better research and development of these machines they are going to put out. Naturally if you are going to research and develop a new machine, you may well have to have some capital works to house it, to make the machine. As a result it was felt at the time by the people who made it that this kind of formula would be reasonable in the period of time that was necessary

April 30, 1980

to get them on their feet and get them going again.

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Minister, I wonder if you would agree with me that any company (whether it be a machine company or not) when they're not making capital improvements and when they're not continuing to try to improve their product by additional research, is not in business. In effect, they're gone. Therefore, Mr. Minister, I suggest this provision, as you describe it, in effect means they're never going to repay that loan. They're not going to be in that category while they're still in business. They can't be. At least if they ever do fall into that category, they'll be out of business the next year, or conversely, and more probably, will be back to you for more money.

The minister indicated you are charging them prime plus 1 per cent on their interest. Mr. Minister, tell me how many dollars in interest they've paid to the proper departments in Saskatchewan, let's say for the fiscal year which ended March 31, 1980?

**MR. CODY:** — We paid no interest to the Government of Saskatchewan because they're not borrowing any money from the Government of Saskatchewan. The money they're borrowing is from the Canada Co-operative Credit Society. It's guaranteed by the Government of Saskatchewan.

**MR. THATCHER:** — How much money did they pay to the Canadian Co-operative Credit Society on the loans that you as a government guarantee?

**MR. CODY:** — We'd have to figure it out. All of the interest is paid. I can't tell you how much. We don't carry CCIL's books with us. I don't answer for CCIL. I just answer for my department of co-operation. We'll get you the interest that was paid. We're treading on fairly light ground here, I want to say the hon. gentleman.

**MR. THATCHER:** — It's paid then. Do I understand you correctly?

**MR. CODY:** — As I understand it, all interest was paid.

**MR. THATCHER:** — I think, Mr. Minister, you indicated it was your assessment that the company was getting back on its feet. I believe you indicated the profit was \$1.6 million. On that \$1.6 million, do you know what the sales volume was? Do any of you people have it without a great deal of difficulty? Do you know what the sale volume for CCIL was last year?

**MR. CODY:** — \$63 million.

**MR. THATCHER:** — Mr. Minister during that time period when CCIL turned in that profit of \$1.6 million, it was a time when many companies were recording record profits in the machine industry business. I recall Massey Ferguson stock taking a very dramatic jump last year. They announced some very sharp increase in their profitability in the third quarter. I believe the same was also true of John Deere. And if memory serves me correctly, about the only company that wasn't recording record profits was International Harvester. That was primarily because they had 30,000 members on strike in the United States, which naturally has to cut into it.

In other words, Mr. Minister I'm asking you the question, do you think now that CCIL is really doing a good job? Now before you get up to give your speech that I'm anti-co-op,

may I point out to you that . . . (inaudible interjection) . . . Well if I'm anti-co-op, please tell me what the CCIL people are doing at my place right now adjusting 54 feet of \$25,000 new diskers? The point of it is, did you really accomplish anything with that money? Are they really doing the trick? Have they really improved their management people? I question that. I recall some of their managements people who have been called on to resurrect this, do not exactly have a AAA record of previous management and I refer to (I don't know what his title is) the top man at CCIL. I don't know whether you would call him the chairman of the board. His background in the world of finance is not exactly AAA as I am sure you are aware.

My question to you, Mr. Minister is this. A profit of \$1.6 million is really only 2.5 per cent of the total gross sales which would not be satisfactory to a private company. Incidentally, I would point out to you in regard to the private companies, whether you're talking Massey, Morris, Case, they report their earnings after paying corporation taxes. CCIL pays not corporation taxes I am aware of and consequently that makes their statement worse. Therefore, Mr. Minister, do you regard these figures as an acceptable yardstick of performance? Do you really feel the guarantees put forward by your government and your department will never be called on?

**MR. CODY:** — Mr. Speaker, I guess a person never knows when you go into a venture like this whether your money will be called on or not. I can't be sure of that, naturally. We do believe, however, very certainly, or we wouldn't have gone into the venture, that we will not be called on.

Let me just say \$1.5 million profits in 1979 is a very good profit. I think it is very good for my organization which in 1979 had a \$3.8 million loss. You have to remember something there my friend, that you don't have the same kind of cash flow when you have a loss. Obviously you don't have. They had a \$9.1 million loss in 1977, so I think the organization and its management have done a tremendous job of coming out of that very, very tough, difficult period of time.

let us also look at what it has done for people in Saskatchewan. We have 300 people in Saskatchewan who depend on it for their livelihood, maybe the individuals you just purchased your machine from. They depend on their livelihood from CIL because they deliver machinery in this province.

There also would have been people in Saskatchewan, farmers in Saskatchewan with individual investments in CIL worth \$20 million. Had we not gone in and helped this organization out, the 300 people wouldn't have the jobs and there would have been \$20 million lost to the people of Saskatchewan who invested in this co-operative. I think that also bodes very well.

Surely the member isn't say that we, in Saskatchewan, stood alone in this venture. After all the Alberta government saw fit to do it. Manitoba's government saw fit to do it, and so did the federal government see fit to do this. Collectively the federal government and the three prairie governments saw some benefits here. And we see some benefits here. We see benefits for whom? For people who are working, for the farmers of Saskatchewan. and that isn't all. The co-operatives themselves saw benefits because they also put in \$20 million. so sure we can't say putting this kind of money in was money thrown down a gopher hole or down a rat hole. it certainly wasn't.

I think it was good money spent. I think it is till there. I think it is a safe investment. The interest has been paid; they have done well by recouping; they have a \$1.6 million

profit and in my view they have done a reasonably good job.

With regards to management, I can't comment on the management. I don't know the people personally and if I did, I wouldn't want to comment on it because they don't work for me. They work for a board of directors of a different corporation altogether for whom we in the government of Saskatchewan happened to guarantee a loan.

**MR. THATCHER:** — Mr. Minister we have a variety of machine companies in western Canada that do a pretty good job within their own sphere of specialization. I refer to Morris Rod-Weeder. Their reputation with rod-weeders and cultivators is unparalleled. I thin of Leon's in the same area. They put out a good little product, a specialized one for western Canada. We can think of Degelman's and the list can go on an on. I would point o co-ops, CIL. If you were to ask a farmer what does CIL do well, I am sure he would say they put out a superb diskier and put out a superb swather. As an operator, I would agree with that assessment, obviously since I buy their product in the diskier line. I have never owned anything other than their product in diskiers — much to the consternation of some of my Conservative neighbours I might point out sometimes.

The point is, Mr. Minister, CIL does a good job in these two areas. To keep them operating in these two areas may have some degree of merit. Are you providing a service to the farmers over the long haul, in aiding a company which has spent a great deal of time distributing what I think is fair to say some (for want of a better term) off-breed machinery onto our market from Europe? CIL has been guilty of this in the past, bringing in some machinery that after use in western Canada hasn't panned out. They stop the dealership on it. Some real problems have been created. I refer for instance (those of you who are farmers may remember) to that great big lemon of a yellow combine they used to handle about 10 years ago. I've forgotten the brand. Was it Belgian? I can't remember where it was made. It was a real turkey. Many of the people who had them have them in their scrap yard now.

Now, Mr. Minister, they have moved on to a variety of other kinds of tractors, some good and some not so good. I guess it was the Matador. It was a turkey! These yellow ones — I think of a portion of the constituency of Thunder Creek where virtually every farmyard has one out in the scrap heap. They are 10 to 12 years of age. They've gone through a variety of tractors. They've handled the Volvo; they've handled the Deutz. I have a Deutz as a matter of fact. It is not a bad tractor, I agree. Now the Volvo . . . They've gone through the Steiger, that discontinued co-op, for what reason I don't know. The Steiger was a superb tractor. Now they are into the Belarus. Now for some reason they didn't try very hard in Moose Jaw to get me to buy Belarus to pull my diskiers. I don't know whether they thought they would encounter some sales resistance.

The point of it is, Mr. Minister, the diskiers do extremely well. The put out a marvellous diskier. It's as good as anybody's on the market. They put out an excellent swather. It compares with any of them. It is one of the few swathers that will cut lentils with a degree of success. That in itself is an engineering achievement. But, Mr. Minister, by putting out guarantees to any company, whether it be CIL or John Deere or anybody else, to handle some of these off-brand types of tractors as, I think it is fair to say, CIL has been guilty of . . . Now they are into the Belarus.

I question whether that is the function of the taxpayers of Saskatchewan, or Alberta or Manitoba. They can bring that up with their own governments. I think that is a mistake. I think your government and your department should be encouraging CIL to do what it does well. I have mentioned what it does well. I don't think that Saskatchewan taxpayer



guarantees have to be used to distribute Russian Belarus tractors in Canada. I don't make that any more of an indictment than I would say if they ere distributing West German Deutz tractors. I believe that CIL has been guilty of bringing these in, then after problems are encountered, discontinuing them which leaves those who have bought them with parts problems four to five years down the road. I want to ask the minister, do you believe it is the role of the Saskatchewan taxpayer to be guaranteeing, in 1980 terms, the sale and the perpetuation of sales of Russian tractors in Canada? Is that the function of the Saskatchewan taxpayer?

**MR. CODY:** — Mr. Chairman, I just don't believe what I'm hearing. I just don't believe it. But I guess the only reason I believe what I'm hearing is because I actually heard it. And that is something else.

How does one answer a question posed by this member? He obviously wants only the specialized things he likes best to be manufactured and all the other things necessary to bring a full line of machinery to a farmer not to be manufactured. Or if they don't manufacture them, they shouldn't bring them in from another country.

Certainly no one can suggest the combine, which, as I understand it, has been purchased by another firm and is out doing a job for many, many farmers was not, in fact, an excellent one; it was an excellent machine. Surely no one can suggest the Duetz tractor hasn't been an excellent tractor.

There's no way to answer this man's question. As far as I am concerned the money we put in was well-spent and well-founded. I think it was well-deserved because when you're looking after 300 jobs in the province and looking after the investment of farmers in the province, I think it's well worth it. If the member thinks bringing in machines from Russia, Sweden, Belgium or wherever is wrong, I think since he's probably a member of CIL, he should try to get himself on the board and change the policy.

I, as the Minister of Co-operation and Co-operative Development, obviously cannot change policies in CIL. All we can do is guarantee or not guarantee a loan. The loan has been guaranteed for the various reasons I've given you, reasons I think are valid and perfectly good. It was good for jobs in the province and good for keeping manufacturing in the Prairies. I think that's a good thing.

Now if you want all the manufacturing to be done in the United States, I guess that's your business. I don't. I think having some manufacturing in Yorkton, Saskatoon and Winnipeg certainly is good for this country.

In that regard, I think the loan was done in the proper way. I don't see any problem in us getting our money back at any point. As a result I think it was simply a good business deal.

**MR. THATCHER:** — Well, Mr. Minister, obvious I've been talking too fast for you because you are having a little bit of difficulty understanding the question. Now that's a situation which isn't particularly unique or new. It's one we've encountered in the past and I'm sure will encounter when we get into some aspects of Sask Tel. But for the minister's edification perhaps I could slow it down. I think maybe your advisors are catching it but I'll repeat the question very slowly and very concisely so perhaps even the minister might catch it this time . . . (inaudible interjection) . . .

Well obviously the Minister of Labour is rather bitter at me because unlike him when I start counting over 10 I don't have to refer to my fingers and toes, etc.

Mr. Minister, my question is simply this: do you feel Saskatchewan taxpayers' dollars should be used to guarantee a loan (and make no mistakes, that's what it is) to a company which is distributing pretty well their exclusive tractor line, the Belarus tractor in Saskatchewan? Now that is to say in any way, shape or form and it's not to debate the merits of whether or not the Russian tractor should be distributed in Canada. But the point is, you are using taxpayers' dollars for the distribution of that tractor. Much of your logic, where you argue about the jobs as they pertain to CCIL, is valid. We're not going to dispute that the product being made in Winnipeg is good for the economy because very definitely it is.

Certainly we say this has been one of the failings of your government. When you suggest that we're against things being made in Yorkton, we've always said that's one of the failings of your government and that there should be far more Morris's. far more Leon's. That's where the future of Saskatchewan may someday have to lie, in our secondary manufacturing and we say that's where you've really broken down. Instead of buying potash mines, etc., you've have been far better off building up a secondary industry base in this province and there should be far more Yorkton's than there are. We say that that is far, far better money spent on behalf of the taxpayers of Saskatchewan than putting up their dollars in aiding a company to merely bring in tractors from Europe, from Russia, in some cases from the United States. It's simply doing what anybody else could do, what any other independent dealer could do, without those guarantees. If the product were good they would be putting them on the market, and the farmers are going to have access to them anyway.

I question, Mr. Minister, that our Saskatchewan taxpayer dollars should be used to guarantee any company, be it CCIL, or anybody else, to in effect be a jobber (and that is to take somebody else's product and merchandise it). To merchandise the products they produce themselves (and I've only mentioned diskers and swathers), nobody's arguing with you on that. But we question the use of the Government of Saskatchewan's guarantee for a jobber which, Mr. Minister is fairly common knowledge.

It's fairly common knowledge that this is one of the things that got CCIL into trouble originally. They did take a bath on some of these things. Well the minister is shaking his head. I think you'd better check your facts on that. It's basically common knowledge in the industry that some of the things they did import from Europe got them into a lot of financial trouble, because the product simply wasn't there. They couldn't use it. Their service costs and their warranty costs were extremely high, and that is one of the factors that got CCIL into trouble in the first place. Now they are doing exactly what they did before. They are acting as a jobber for Belarus out of Russia (Belarus Tractor Company owned by the USSR). Again, Mr. Minister, I question the Government of Saskatchewan, or any other government, guaranteeing loans to this company for the purpose of distributing Russian tractors.

**MR. CODY:** — Mr. Chairman, once again the member in my view doesn't necessarily have 100 per cent of his facts. First of all, as I understand it, and that isn't a great deal as I said before, CCIL has the distribution of Deutz tractors. It does not have the distributorship of Belarus tractors. There are five depots in Saskatchewan which deal in Belarus tractors but they certainly do not have the distributorship; they certainly do not

purchase them directly from wherever they're made — and you say Russia. They certainly do not receive them directly from there. There are five depots which merchandise Belarus tractors. All of the rest have as their regular tractor the Deutz and that's their regular distribution.

I want to make one more point, Mr. Chairman. It is very ironic, I think, that the member for Thunder Creek should be taking about CCIL and the decisions it is making with regard to the equipment it markets. What he's really saying is just exactly what the member for Moosomin was trying to tell me the other day we were doing too much of and that is interfering. He was saying the other day, and I think the hon. member for Indian Head-Wolseley said the same, that we don't want politics in these firms. Leave them alone. Leave them on their own autonomy.

Let me tell you that CIL has a board of directors. That board of directors is made up of people throughout the prairie provinces. They are farmers and probably some of them are farmers who far near the hon. member for Thunder Creek. Those are the people who make the decisions as to what the market line should be. They are the farm people. They are making those decisions. Now the hon. member for Thunder Creek is telling me I should go in there and make those decisions for them and tell them, don't be distributing the Belarus tractor, even if you farmers would like to have it distributed by CIL.

Well, Mr. Chairman, I think the Conservative Party in Saskatchewan, in particular the member for Thunder Creek, has to get its priorities straightened around. Who does he want to run the co-operatives? Does he want the Government of Saskatchewan to step in and turn them at all time, or does he want to have the board of directors who are duly elected by a bunch of farmers run that organization?

Surely he's not going to suggest to me that the people around Moose Jaw and Tuxford and the people around Davidson and those areas, who are now on the board, should be taken off the board because the decision they have made are bad, because they are selling Belarus tractors. Surely he's not telling me that. If he is, then the hon./gentleman knows nothing about the co-operatives.

It is obvious in my mind today what the hon. gentleman thought I was going to say at the outset — he doesn't believe in the co-operative structure; he does not believe in the autonomy of co-operatives. What he believes is that at any moment you want, the government should step in to take over the controls and tell them what they should market, tell them what they should distribute. We in the Government of Saskatchewan, in the New Democratic Party, don't believe that. We believe in the co-operative movement. We believe they should be autonomous and we are letting them be autonomous. And in this particular case (CIL) they are once again autonomous and they have made the decision, on their own, to market the kind of machinery they want. As far as I am concerned that the way it will continue to be.

**MR. BIRKBECK:** — Well, Mr. Chairman, I think I'll reply to the Minister of Co-operation and Co-operative Development. There are a couple of very valid point we are attempting to make from this side of the House and it seems with some degree of failure obviously. I don't-know whether that's because of us or because of the minister.

Reflecting on the debate we have already had in this House regarding this particular funding, loans through The Co-operative Guarantee Act for CCIL, we at that time, in support of the co-op, said if we are going to inject these kinds of dollars we should have

the plant operating here in the province of Saskatchewan. So we exercised our option at that time to support the co-ops and said if you are going to put good money in there, let's not put good money after bad, let's get the plant operating here in this province. That was our argument at the time. Once a government makes a commitment to put money in to assist a particular organization, it also has an obligation to ensure that money is going to fulfil its role, the reason that it was put in there. That's obvious. And it's when you have already committed yourself that you have to follow up by taking a look at the management of the particular company you have assisted. So you would keep that in mind.

When the discussion was before the members of this Assembly as to whether or not we should fund CCIL, we said yes but let's put it in Saskatchewan so the greatest benefits can be derived by the people of Saskatchewan. That was the first thing. There is no inconsistency on this side of the House at all in terms of whether or not we support the co-ops or whether or not the member for Thunder Creek is saying one thing and I am saying another, not at all. When I was talking the day before last, in my opening remarks, on co-operation and co-operative development I was saying at that time what we need to do is to keep politics out of the various groups and organizations in the province of Saskatchewan, for the benefit of those organizations.

As I say, once you have made a commitment to assist a particular organization, then it becomes incumbent upon you as well to follow up in the managerial and also to ensure that the taxpayers' money is not going to be lost, that it is not going to be good money after ad. That is basically the point the member for Thunder Creek was attempting to make. He is asking, are you consulting with the managerial staff of CCIL? He has said very clearly and no one can argue, that CCIL makes some very good lines of equipment. It is those good lines, the lines that are proven lines of equipment which have a great sales record, where the profit margin, hopefully, could be the greatest, on which CCIL should concentrate, rather than being sidetracked in attempting to give this service you speak of. We want CCIL to provide as great a service as is possible, certainly, but not at the expense of CCIL, not at the loss of the company and the taxpayers' money already invested in the company.

What we are suggesting is you have a good line, you know which lines are proven. Stick with the winners and develop slowly and safely your new lines to ensure the viability of the company. That is the point we are attempting to make. I think I have laid that out quite clearly now and there is no misunderstanding on that. It took a long time to get to it but none the less, those are the two arguments.

I might add that things are going to go quite smoothly. As you can see, I'm wearing the little co-operation button here . . . (inaudible interjection) . . . I'm sorry, Mr. Chairman,, I can't hear the Minister of Labour.

**MR. CHAIRMAN:** — Order, order! Let's not have discussions between members who are sitting down and people who are on their feet.

**MR. BIRKBECK:** — Thank you, Mr. Chairman. I would just like to ask a few questions with regard to the budget speech. Regarding co-operative development, very simply it said:

Mr. Speaker, the history of Saskatchewan is the history of the co-operative movement, and in 1980, this government will provide increased assistance for new co-operatives.

Is \$50,000 the extent of the moneys expended by your department for the establishment of new co-operatives?

**MR. CODY:** — Yes, it's for seed money. That could go for a lot of co-operatives, depending on the kind they are and the amount of work that goes into developing them. And \$50,000 is a fair chunk of money for this kind of activity.

**MR. BIRKBECK:** — Mr. Minister, you also have provided by way of the budget speech, a \$100,000 grant to the Co-operative College of Canada, and the creation of a \$100,000 co-operative scholarship fund. Could you give me some information on those particular expenditures? There is \$200,00 involved in those two.

**MR. CODY:** — Yes, I guess the member was absent when I explained that before, but I can try to explain it again. The \$100,00 grant to the Co-operative College of Canada is for various programs which we want them to deliver for us — educational programs. One is an educational program for urban native people; the next one would be for northern native people. We also want to develop a program, an educational program for board members. There are other areas of concern we have which we may well ask the Co-operative College of Canada to develop in conjunction with our department, and vend to these various groups. That is basically what will happen with the \$100,000. It is an educational program which will be disseminated by the Co-operative College of Canada. However, the program will be developed in co-ordination with the Department of Co-operation and Co-operative Development and the Co-operative College of Canada.

The other \$100,00 is a fund which will be used for two scholarships. What we are really looking at, if you look at, let's say, 15 per cent interest on the \$100,000, is \$15,000. We plan on giving approximately \$7,000 or \$7,500 to each of the universities in Saskatchewan for a scholarship for activities in co-operative education and a degree course. Those degree courses are not developed yet. However, they will be along the lines of the one which is now developed at York University. Simply put, we thought it was a good time to develop a program like this in the year of Celebrate Saskatchewan honouring our pioneers in the co-operative movement.

**MR. BIRKBECK:** — Mr. Minister, yes, I unfortunately was out of the House. I apologize for that. I was meeting with a group of students. I understand the member for Indian Head-Wolseley asked the question; I suppose there is no harm in asking it twice.

You also provided for co-operative management. The member for Indian Head-Wolseley tells me he did not ask a question in that area so I suppose I would be in order in asking, with reference to this new training program for board members and management staff, what kind of a program will this be? Will this be for all board members of co-operatives and all management staff of every kind of co-operative in the province, or specific co-operatives? If so, find, what kind of a program will it be?

**MR. CODY:** — They are for non-aligned co-operatives which are co-operatives which do not touch base with any centrals such as you might have Sherwood Co-operative; it touches base of course, with Federated; it would not be involved. We are talking here about small co-operatives — day care co-operatives, recreational co-operatives, community halls, these kinds of things — board and management training for the non-aligned type of co-operatives, not necessarily for the aligned co-operatives. You know which ones I mean there; they are the other large co-operatives.

**MR. BIRKBECK:** — You also have provisions for three new co-operative managements advisors to Saskatchewan's credit unions. Could you elaborate on that as well?

**MR. CODY:** — Yes. At the present time you know we have people who go out to examine credit unions. They examine them to see that The Credit Union Act has been completely adhered to. The workload now is getting to be fantastic. We, together with the Co-operative Credit Society of Saskatchewan, have a working committee to see what things we should look at and what things the internal and external auditors should look at. We have a program set up. It is this kind of thing which we want to look at. Basically speaking, we look at three areas: liquidity, reserves, and a loan portfolio. We want to be sure that the members' equity and the members' assets are safeguarded in that regard. Now that the assets of credit unions are fantastically increased, this workload has become a lot heavier and as a result we are going to have three more examiners in the next year.

**MR. BIRKBECK:** — Yes, I can appreciate that the assets have greatly increased, although at the same time the net profits of the credit unions have decreased, I believe, if my memory serves me correctly, about \$37 million to \$32 million net profits. That particular decrease in credit union net profits concerns me. I am wondering if these three new co-operative management advisors will be giving the credit unions any advice in that particular area? That is an international concern certainly. I would also want to know if these three new management advisors are reporting to your department in any way at all, if they are serving as a liaison between your department and the credit unions?

**MR. CODY:** — Yes. As a matter of fact, that is exactly what the problem has been, that the net profit has been going down. Because there have been certain problems, they will be acting as advisers to some degree. Certainly they are not going to be acting as advisers on how to run the credit union. That is certainly in the purview of the board of directors and we allow them to do that. We certainly have to be involved in making certain that the members' assets are looked after and safeguarded. In that regard, of course, we have to look after loan portfolios to make sure that they are according to what the act stipulates — a certain amount of dollars given out by a certain person in a credit union — and that the credit committees are working properly, and we also want to make sure the reserves which the credit union has are adequate, that kind of thing. It's just basically along the same kind of lines as the work they are now doing and that's a program which has been established between the co-operative credit society and ourselves in the Department of Co-operation and Co-operative Development.

Incidentally in Alberta they have 17 people doing this very job. And in Saskatchewan we only have eight. We would like to see far more of them, but you know in times of restraint and so on we have to be careful where we spend our money and we're trying to inch into this area because it's a good one. The credit society want us in it; certainly the credit unions want us in it. They would like us to come to their credit union for examinations at least once a year. Now, we haven't been able to do that, and if we can do it, with an early warning system we can find problems which they might have quickly and it's a very, very worthwhile expenditure.

**MR. BIRKBECK:** — Yes, I appreciate the comments. Mr. Chairman, I want to ask just a few questions with regard to the credit union. I can't emphasize enough the concern which I have for the credit unions at this time. With the interest rates the way they are certainly the long-term loans they have out right now are costing them more than the

short-term deposits. This is concerning me and I feel it should be incumbent upon government (I suggested this once before) to ensure that the credit union has sufficient capital to provide a cushion, if you like, so it can continue in the extreme economic circumstances they're being called upon to operate under. It has been argued, I suppose, from time to time that the credit unions are at a disadvantage to the chartered banks in the province or for that matter in the country. I don't want to get into that discussion; I don't think it's really relevant. What is relevant is our concern for the credit unions and their economic viability, and the problem of a more or less cost-price squeeze on credit unions because of high interest rates, and whether or not in your view they do have enough capital. I'm wondering if possibly you have approached the Credit Union Central to ask them; if you've met with Mr. Bromberger, spoken with him, and asked him if there was any way in which the government could assist them through these times — extreme circumstances certainly. I wonder if you could comment on that particular line of questioning, Mr. Minister?

**MR. CODY:** — Yes. Mr. Chairman, credit unions are in a good strong position in Saskatchewan and that is not the case, necessarily, throughout the whole country. But in Saskatchewan they certainly are. As you may know, the assets are over \$2 billion in Saskatchewan — \$2.383 billion; and of course, assets alone don't really tell the picture. What really tells the pictures is what are the reserves which need to be called on at any time, and that of course, is set by statute and has to be roughly 3 per cent. In Saskatchewan we have \$53.995 million in reserves, so obviously we are in a very good condition. Plus the fact that we have a mutual-aid board and it's also in good condition — they have over another \$20 million in reserves, so really when you look at the asset picture and you look at the reserves behind those assets, the Saskatchewan credit unions are in really good condition. It would not be out of the ordinary to find that a Saskatchewan co-op credit society, the central in Saskatchewan, had to bail out such organizations in British Columbia or Manitoba. Reasons for that — they are just smaller in nature. At the same time we had to bail those people out from time to time. The Saskatchewan credit unions themselves are in very, very good solid financial condition.

**MR. BIRKBECK:** — Mr. Minister, I just want to say I'm really impressed with the growth of the credit unions in Saskatchewan. It's a tremendous growth rate. I think that is certainly going to serve the people of Saskatchewan in both an economic way and a social way.

I want to take just a few moments of time in the House to read into the record a policy statement regarding government relations with the credit unions. It was, of course, provided by the credit unions. It's going to be the basis for a number of questions, at least three or four. I would just read this into the record. It's a policy statement of government relations.

Credit Union Central as a co-operative financial intermediary established under The Saskatchewan Co-operative Credit Society Act recognizes its role and responsibility to serve its corporate members for the economic and social benefit of the people of Saskatchewan and adopts the following: (1) the co-operative form of organization based on member ownership and control as an alternative to private inventory-owned and public government enterprises, (2) as a non-partisan organization Central will deal openly with all governments and political parties, (3) while Central is a financial intermediary owned by and serving credit unions and co-operatives, it will consider participating in joint ventures with private and public enterprises, (4) feasibility and viability of ventures to be undertaken must be assured, and

(5) Central is committed to ongoing communication with political parties, legislators, and relevant government departments.

The question arising out of that particular statement is, Mr. Minister, do you agree with these particular philosophies and concepts as outlined by Credit Union Central?

**MR. CODY:** — Well, I don't know how one could disagree with them. After all they are certainly co-operative philosophy and principles. Certainly we agree with them. Why would we not agree with them.

**MR. BIRKBECK:** — Right. I would ask then this question. Do you as minister responsible for co-operation, co-op development in the province of Saskatchewan agree with the comments made by the Attorney General in this House at a particular point in debate whereby he suggested (in fact, he stated empathically) that the co-operatives were formed as a defence to private enterprise?

**MR. CODY:** — Well, I don't know what the Attorney General said. I maybe missed the debate. Maybe the words the hon. member now is saying are not quite the way they were meant. So in a context of that nature I can't really make a comment. But co-operatives definitely were formed as an alternative. There's no question about that. They're an alternative today to another form of enterprise. After all, I think we need to have all forms of enterprise. I think we need Crown corporations. I think we need private enterprise. I think we need the co-operatives. I think those three can certainly make a great society, a mixed economy. I think that's what we have in Saskatchewan, and one of the finest.

**MR. BIRKBECK:** — Mr. Minister, I think that brings us right back to my opening remarks a couple of days ago. It say very clearly they are an alternative to private, that's inventory owned. They're also an alternative to public, that's government enterprises. Clearly they are an alternative to both public and private. That needs to be clearly understood in this Assembly and not wrenched out of context by various members on one side of the House or the other.

I won't deny that from time to time members on this side of the House have done the same thing. So basically what I am attempting to do is lay out very clearly the position of the opposition, very clearly in fact. And in so questioning you, Mr. Minister, to derive from that questioning a clear position by the government.

Now, I'm wondering on point number three where it says the central is a financial intermediary and owned by and serving credit unions. Co-operatives will consider participating in joint ventures of private and public enterprises. Are there any joint ventures you are engaged in with the Credit Union Central as a government entity?

**MR. CODY:** — Well, I suppose one could say lots of them. I'm not suggesting they're financial but the deputy minister sits on the mutual aid board and vice versa and credit committees and so on and so forth. So, certainly in that regard, there is joint venturing, no question about that.

**MR. BIRKBECK:** — Are there any financial joint ventures you're involved in?

**MR. CODY:** — I guess we could say CIL which we just finished talking about is a financial venture. I'm not really aware of any other exactly but certainly we have a lot of co-op



guarantees if you want to call that joint venturing. But that's really not joint venturing in the strict sense you're indicating here. I would say I don't recall any off hand that would be, in the strictest sense, joint venturing.

**MR. BIRKBECK:** — Mr. Minister, I think we're coming around full circle to the arguments I am making and they are coming into focus, I think very clearly. I see, and you don't disagree, the philosophical approach taken by co-operatives, whether it be the credit unions or the wheat pool or Federated Co-operatives, is to enhance the standard of living both economically and socially.

We have, and I know all members in this House have, a deep concern for the people of Saskatchewan at this juncture in our history. We are faced with a recession in the United States and I suspect we could be looking at one. It's a very strong possibility here in the province of Saskatchewan.

Certainly there are many situations that could arise over the next four or five years. I think it's incumbent upon us as legislators by way of the government in co-operation with our co-operative programs, our co-operatives generally speaking in the province, to see to it that they have all of the tools necessary and the fullest co-operation of government and opposition members. In essence the Assembly of the province of Saskatchewan will be ensuring that these economic and social standards of living are enhanced today and will continue to be enhanced in the future whether it be through good or troubled times.

I suppose that if the conditions prevailing now with regard to our agricultural sector continue to prevail and if in fact no assistance is derived from Ottawa, it will be incumbent upon our government to work in one way or another, and I won't really argue which way. You could do it either directly as a government, assisting our agricultural sector and our home-owners (the construction industry is in a bad state of affairs at this present time) to tide them through a very tough economic situation or you could do it through the co-operatives in the province of Saskatchewan.

In fact, it's not a precedent. You have indirectly assisted the agricultural industry. You have assisted the farmers in attaining new machinery at a lower interest rate through CCIL — in a roundabout way but in essence you did. And you could do that in a more direct way possibly and I throw this out as a suggestion. It may not be workable, but if I were minister, I would be meeting with the credit unions. I would be meeting with all the co-operatives to see in which way we could assist these particular groups (I speak of the farmers, the home-owners and so on) by way of providing extra capital assistance through the co-operative programs in the province to pass on those benefits to the people of Saskatchewan.

I would just ask you if you could make some comments in that vein. Would you not agree that that's a possible working solution and have you had any meetings to obtain that particular end?

**MR. CODY:** — Well, Mr. Chairman, I couldn't agree more with the hon. gentleman. After all, let's face it, this department has for a long, long time tried to aid many groups in any way it can. We have day care co-operatives which help individual people who have to work and who have to have a second income; we have machinery co-operatives where farmers gather together and help themselves so they can reduce the price of their machinery; we have seed cleaning co-operatives which aid the farmers in getting their seed clean so they can plant clean seed at a reasonable rate.

We have pasture co-operatives for stock farmers. We have a myriad of co-operatives we have been putting money into and helping to get going. We have house building co-operatives; in fact the house building co-operative is probably one of the best co-operative building programs in the world, where we put in a \$150 per month subsidy for people on lower incomes. That is one we have been looking at. We have been performing that, not only looking at it.

There are many, many more co-operatives I could mention to you. There are all kinds of different co-operatives, as I mentioned: machinery, seed cleaning, pasture, housing, day care. You name it. There are a whole raft of co-operatives and in that regard I couldn't agree more with the hon. gentleman. But again, I see some partial difference here. It is that we in the department are going out and trying to get people to help themselves. I think that is a good way to do it. I'm not sure the hon. member wants us to do that.

If he is saying yes, I think the money we are putting into this department is well spent. I am sure that is what he is saying. I hope that is what he is saying.

**MR. BIRKBECK:** — Mr. Minister, most of the time the opposition members are complaining maybe there is too much money being spent in various departments. But I think by looking at the votes in the estimates possibly we might be too low in terms of our support for co-operation and co-op development. Certainly I don't think they are too high; I support the estimates on page 30 of our estimates. There is no question there.

I do have to look at some of the challenges laid out by the co-operatives themselves. They see the need to generate sufficient capital to allow central and member organizations to undertake necessary development. They see a need for comprehensive planning systems which keep co-operatives abreast of rapid change, serving the shifting needs of members in the community. Also they see a challenge in viable operations in the face of inflation, slimmer margins and more competition. There are a number of challenges facing our co-operatives now, none of which I feel the co-operatives can't handle; I am certain they will.

I am only trying to make and make very strongly, a case for and in defence of the co-operatives. I'm not suggesting you are not defending them but I am trying to add to your defence our own defence and support of the co-operatives, particularly in the financial area.

I see a much more meaningful way. I'm not saying the ways you've just outlined in answering my last question are not meaningful; certainly they are. We appreciate them; we welcome them. But we question whether there shouldn't be some more expenditures through the co-operative system in the province of Saskatchewan to assist the small business people and farmers and home-owners right now during high interest rates. We feel this is likely the only route on which we may be able to get you as a government to move in assisting the people of Saskatchewan. You know, I personally don't care whether members of this opposition get the credit for this. I'm not concerned with that at all. I'm concerned with the ongoing viability of co-operatives and I'm concerned with the people of Saskatchewan and how the co-operatives may best serve the individuals of our society here. I think you could contribute in a much more meaningful way if you took a notion, because we're only looking at a projected \$2.4

million of expenditures in the Department of Co-operation and Co-operative Development. That's not a lot of money considering that you're running about a \$1.7 billion budget. Certainly it is not a lot of money for a government that seems to be more strongly in support of co-operatives than maybe any other government in the country or for that matter in any other province. We recognize that.

It's also to be recognized that maybe in no other province of this country is there an opposition which more strongly supports the co-operatives in Saskatchewan or in any other province than we do on this side of the House. We're suggesting that maybe there's a way and we would like you to take that suggestion. You take it as the minister responsible and you have whatever credit may be coming from whatever assistance you can work through these co-operatives in the years to come and particularly over the next year or two. And that's, as far as I'm concerned, completely all right by us. I just want to make that point and make it very strongly. I hope you will take that particular recommendation under advisement.

Now I would just move off that particular topic right now and ask under Vote No. 1 (and I'll be on Vote No. 1 just for a few minutes), what research, Mr. Minister, is being conducted under you — you have administration and research. What research projects in particular that are of significance do you have as an ongoing project?

**MR. CODY:** — There are many, many types of research we do, of course. We research new co-operative ventures that we can get into. They might be anything but, in specific, we have done a large co-operative study in the prince Albert region as to how this area is affected by the co-operative movement. We are also studying co-operatives in the North. That's a research project which is now going on.

The possibility of continuing housing co-operatives — that's a research project. We have a whole raft of research projects we are planning on doing, depending on the time we have to do this research and the length of time it takes to do a particular project. They will all be done. However, at this particular time we can't be sure that every project we want to have done will be done, because we may not have the time depending on the kind of input that is necessary to get the thing rolling. Another one is workers' co-operatives. That is another research project. Day care strategy is another project. Those are the kinds of projects we're researching now and in future to develop new co-operatives.

**MR. BIRKBECK:** — Mr. Minister, you referred to some research on co-operatives in northern Saskatchewan. sometime back you had a dispute with the Minister of Northern Saskatchewan regarding your involvement as a co-operative in the fish industry up there, the commercial fish industry. I'm wondering if you have that particular problem solved now and, if so, what's the state of affairs in that particular regard?

**MR. CODY:** — I don't think the minister in charge of DNS (Department of Northern Saskatchewan) and I had a dispute., The papers thought we had one. But I don't think we really had one. I have not had a dispute with the hon. gentleman yet and I don't intend to start now. There were obviously some opinions which were different and they are naturally to be different because we have two departments working on a similar project. We were looking at co-operative fisheries and at the same time DNS is very heavily involved in co-operative fisheries. We were working together with the DNS on the local co-operatives and as a result of that there might have been a divergence of opinion, but certainly at no time did we ever have any problem. If we had some problems we'd iron

them out right here, or in our caucus office. We wouldn't be doing it in the newspaper. Sometimes these things get blown a little out of kilter. No, there's no problem there. As far as the co-operative fisheries are concerned, that problem and the strategy for that problem they've had, which has been financial obviously, is now being worked on by both departments. I'm sure a solution will be worked out.

**MR. BIRKBECK:** — Then I am to take it from your answer that both departments are working co-operatively as it relates to commercial fish industry in northern Saskatchewan?

**MR. CODY:** — It's the only way the Department of Co-operation would work and that's co-operatively.

**MR. BIRKBECK:** — Mr. Minister that's the answer in that regard. In the 1978-79 annual report of the department, it states:

In the coming year a new program will be introduced to stimulate activity in co-operative housing.

Now, Mr. Minister, could you elaborate on new programs for co-operative housing and give us an indication to what extent the department is involved in multi-family dwellings, apartments, townhouses, rehabilitated houses, etc. I would emphasize as well your housing projects beyond the jack pine curtain, in the northern Saskatchewan area.

**MR. CODY:** — Well, as I have indicated before, the housing projects we're talking about are continuing housing. In that regard as a provincial program, we don't have one. But we are trying to develop a provincial continuing housing co-operative program. We don't have that in place yet because the research is not completed. We think, before the end of the year, we can have it developed and together with the Saskatchewan Housing Corporation have a program.

We do however have a Saskatchewan housing program. That's the house building program. That's for single family dwellings. That is a very successful program. As a matter of fact as I understand it from the housing corporation at the end of last year their funds were completely expended. So the program has worked well. That's the one where in Saskatchewan, provincial funds subsidize the home-owners with a certain income of \$150 a month.

Those are basically the programs we're looking at. We don't have any specific program for townhouses or anything like that. However, there is one other housing project we have in place. That is the Cornwall Centre housing co-operative which is a senior citizens' housing co-operative on Cornwall.

**MR. BIRKBECK:** — I'm not just clear, Mr. Minister, which co-operative house building program you don't have in place yet that you expect to have in place by the end of the year. I'm aware of the co-operative home building program you have now where there's a certain amount of assistance. I think you mentioned \$150, made available. I'm just not sure which one you haven't put together yet. Could you clarify that particular point, please?

**MR. CODY:** — What it is? It's a continuous housing co-operative. That is where the project is owned by the co-operative. The people within that project are that co-operative. That's a continuing housing project.

**MR. BIRKBECK:** — Then once that was in place (assuming of course it's going to be put in place) how will that work with the Saskatchewan Housing Corporation or is it in fact going to replace the Saskatchewan Housing Corporation?

**MR. CODY:** — No, it's a matter of us working together. If there are funds necessary it may well be in our purview; however, it may well come from the Saskatchewan Housing Corporation. The Saskatchewan Housing Corporation basically is the corporation which gives funds to various projects for housing. It's not really the Department of Co-operation and Co-operative Development. We develop co-operatives. We then get funds from the Saskatchewan Housing Corporation.

Now, in this particular case, the funds could in fact come from the Department of Co-operation. We don't have the funds in our budget at this time because we don't have a program. We couldn't very well put up a budgetary sum unless we had a program. In this particular case we are still looking at the thing. As a result of that we didn't have it.

**MR. BIRKBECK:** — Cautioning the overlapping of government expenditures in the same area, is there going to be a clearly defined distinction between Saskatchewan Housing Corporation on the one hand and its responsibilities and the co-operative program you are expecting to come on stream on the other? Is there a clear line dividing those two so that there is no overlapping in those given areas?

**MR. CODY:** — No, again we have to work closely with them. Now, you would likely not find in the department of co-ops a budget for continuing housing and in the Saskatchewan Housing Corporation a program for continuing housing. It will be in one or the other in so far as the funding is concerned. If it were in the Saskatchewan Housing Corporation, we would then be the people who would develop the co-operative and the funds for setting it up would come from SHC. But that has not been worked out. That's the research we are now doing to make sure the program which we develop can be worked out together with the SHC, because they are the people in housing and we will then look at it in that regard.

Our department, as you know, is one of development, organization and then we have operational consultation and consulting after that. We also help the people who are in the co-operative set up books and we assist them in accounting. So that's really what the department of co-ops does. However we would work closely with SHC.

**MR. BIRKBECK:** — Well, that's certainly the answer I was hoping I would get from the minister and I would want to see that you did work closely together and at the same time would want to see that there was no overlapping of responsibilities. Certainly there is no better time for the co-operatives to assist the people of Saskatchewan in housing projects than right now. Construction starts are certainly not booming, and it is a good time for the co-operatives to show their strength during troubled times.

Co-operative education seems to have a great deal of priority with the department and I would specifically like to ask the minister the names and objectives of co-operative education programs currently in use in Saskatchewan schools, and as to grade levels and whether or not these programs are a compulsory part of the curriculum? I realize you answered that question in part for the member for Indian Head-Wolseley so I would appreciate a short answer in that regard.

**MR. CODY:** — The resource material we have in the schools now is called Co-operation and Community Life and is based on how better to communicate and co-operate. That's basically what it's all about. It is not compulsory because it's not in the curriculum. It's resource material for the use of the schools and when the second phase goes in it will be throughout the whole of the school.

**MR. BIRKBECK:** — Thanks, Mr. Minister, for that answer. Could the minister take a few moments and outline to us the criteria the government uses in determining whether or not a co-operative of any sort should be granted a charter?

**MR. CODY:** — I guess there are really four or five sets of criteria. The first one is they have to be an informed group as to what is a co-operative. What do they really want to have from a co-operative? Secondly, they have to have a certain set of objectives. What is this co-operative going to do? What is it setting out to do? What is the purpose?

Thirdly, it has to be a viable project. Using an example, if it's a day care, they have to be an informed group; they have to know what their principles and purpose and objectives are and they have to be able to viably carry out the project.

Fourthly, they have to have an ability to manage the operation. All of these four things have to first be done and recognized before there can be a charter.

**MR. BIRKBECK:** — It has been reported the number of incorporations of co-operatives is on the decline. Given this fact will the minister tell us what his department plans to do to stimulate further co-operative growth and development? Are there any specific programs in the works to change this situation other than these educational programs?

**MR. CODY:** — Well, I don't know where the member gets his information from but last year we had 49 corporations. This year we had 85 incorporations. Next year we plan to have 100 corporations. So, really we don't have to do a great deal of emphasizing that co-operatives are a good thing because obviously they have gone from 49 to 85 incorporations. This year our objective is to have 100 incorporations. Hopefully we can come up with that.

**MR. BIRKBECK:** — The Federated Co-operatives Limited have recently indicated an interest in pursuing joint ventures with governments firstly and failing that with private enterprise for energy development. Can the minister indicate if the Government of Saskatchewan has been approached by FCL on this subject. If not would the minister indicate if the Government of Saskatchewan would consider entering into joint ventures with worthwhile provincial organizations such as Federated Co-operatives and other organizations on energy development or other projects of that particular nature.

**MR. CODY:** — Well really I suppose I am the wrong minister to be answering the question. If you ask the question on general terms, the answer is yes. I have certainly spoken to the president of FCL on several occasions and some of the directors as well with regard to joint ventures on certain projects such as heavy oil and you name it. We are always talking in that regard with co-operatives who want a joint venture with the Government of Saskatchewan.

Specifically, however, I cannot tell you. Because once it gets beyond that stage, I of course am not the minister involved. It would naturally be either the minister of SaskOil or the Minister of Mineral Resources or whatever, or energy as well. So in that regard

specifically, I have nothing. However, generally yes, I have spoken with the president, the directors of FCL about joint ventures.

**MR. BIRKBECK:** — Well, specifically, I suppose it is understandable we would have some concerns with regard to Petro-Can's proposals to get into the retail distribution of petroleum products, opening up service stations and providing credit cards along the same line as the multinationals. We see that involvement by Petro-Can like the multinationals, one and the same coming in, really posing a threat to our Federated Co-operatives here in the province of Saskatchewan as it relates to their retail distribution of fuel. I would just ask you, Mr. Minister, what are your comments in that particular regard?

**MR. CODY:** — What comments can a person have? we in the Government of Saskatchewan say we don't interfere with any group or groups of people as to where they should buy their fuel or how they should vend their fuel. As far as I'm concerned, I know where I buy my fuel. It's at a co-operative, naturally. Because I believe any money I spend should stay right in the province of Saskatchewan or at least in Canada. In that regard I like shopping at the co-op, and I like shopping there as often and as much as I can. However I do not suggest that people shouldn't have the opportunity to go elsewhere, that is their prerogative. If someone else wants to set up service stations through another organization I guess that is certainly their free will. Myself, I believe in the co-operative movement. I believe it will flourish, no matter if Petro-Can is here or if they are not.

**MR. BIRKBECK:** — Well, I suppose it just is a rather difficult situation to resolve in light of the fact the federal NDP and of course your provincial NDP wholeheartedly have supported Petro-Can and have touted it as the wedge in the door of the multinationals on the one hand, and then of course here in Saskatchewan thrown your support lock, stock and barrel behind the co-operatives and now we have both of them supposedly going to operate in the province of Saskatchewan. I'm just wondering if there's enough business to carry both of them, or of one or the other is going to take over. Certainly it has to be something that we concern ourselves with and I would suggest certainly at this time, just with the skimpy details we've had with regard to Petro-Can's proposal as it relates to the retail distribution of fuel, we as an opposition would stand in support of our Federated Co-operative retail outlets as opposed to say Petro-Can. I really can't see that as being a whole lot different than multinationals right now and I can't see how you can do anything but agree with the opposition in that regard.

**MR. CODY:** — No, I don't agree because after all there's a whole lot of competition out there for co-operatives now. Let's face it, we've got Shell, Imperial Oil and Gulf and the co-ops are doing quite well against them. I don't see any difference in Petro-Can setting up stations; they'll do just as well against them. Because I think the co-operative movement can stand on its own two feet, there's no question in my mind about that. I don't think they need any additional business from us and the Government of Saskatchewan to keep them going. It wasn't necessary in the past. I don't think they'll need it in the future. If Petro-Can service stations move into the province one way or another (I don't know if they are moving into the province) surely they'll take as much business from Imperial, Shell and Gulf as they will from the co-operatives. I don't think it's going to be a great problem. As a matter of fact, I've talked to Federated and to the co-operative movement on many occasions and not once has that subject been broached to me.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, you have given me precisely the answer

that I would have expected, in fact, precisely the answer that I wanted, namely (because I don't disagree with you generally speaking) that in fact the co-operatives can stand on their own feet. They can stand the competition — fair competition. Number one, they cannot stand the high interest rates which have been imposed on us by a Liberal federal government and which a Tory government couldn't put the brakes on fast enough in the short six months that it had in office. Number two, yes, you can buy your fuel from a co-operative retail service station as a form of your individual way of preserving that co-operative. So, I would expect that we would not hear any more arguments in the province of Saskatchewan about how Cargill is going to take over the Wheat Pool because I suggest the Wheat Pool can stand on its own two feet and I suggest for those people in this province who feel that Cargill is in some way going to take them over, they'll haul their grain to the Wheat Pool and not to Cargill. We don't need to discuss that issue in here. You have just stated it clearly and I thank you for that. That comes from the minister responsible for co-operation and co-operative development which includes of course the Wheat Pool. That there's no problem with Cargill. There's no problem now. That's clearly what you're saying when you say there's no problem with Petro-Can, there's no problem with the multinationals as it relates to our co-operative retail service stations here in the province, no problem there at all. If there's no problem in that area, there can't be any problem then with regard to Cargill — none whatsoever. I don't think I even expect a reply from you in that regard. I think you have certainly answered all of the things which I could say in that particular regard. No question about it.

Now, Mr. Chairman, I just have one basic question to ask and that is with regard to The Co-operative Guarantee Act. How many loans were made during the last fiscal year and for what type of co-operatives? At the same time, Mr. Minister, could you tell us what the track record, if you like, of the co-operative guarantee board has been and are you satisfied with the results of the loans that have been made?

Mr. Chairman, just to speed things up a little in the House I wonder if you could provide that information to me, if you would give me a guarantee in the House today that you will provide it — and I'll just run it by your again so you have it if you want to grab a few notes. I want to know under The Co-operative Guarantee Act how many loans were made during the last fiscal year? What type of co-operatives were they for? And as well some indication of the track record of the co-operative guarantee board and whether or not you (and I'm sure you will be) are satisfied with the loans that have been made and maybe some comments in that regard. I would be quite satisfied if you'd just put that down on paper and send it across and we'll save a bit of time of the House this afternoon.

I don't have any further questions under item 1, Mr. Chairman, so with that I would just allow the minister a brief comment and we could go ahead and move quickly through.

**MR. CODY:** — The information you've asked for is no problem. We can get that for you and we will give you also a run-down on what has happened in the various loans, there's no problem there.

As far as I am concerned they have worked reasonably well. Of course we've had problems, there's no doubt about that and you're bound to have problems because you at times have ventures where you may well have them. But by and large the guarantee act over the years has been a very, very good tool for co-operatives to use and it's worked reasonably well and the losses have been very minimal.



**MR. P. PREBBLE (Saskatoon-Sutherland):** — I have a few questions for the minister before we leave item 1. The first matter I would like to raise is with respect to the allocation of funds to credit unions for assistance to low income borrowers. I wonder if the minister could elaborate on that program and indicate the nature of this support at the current time?

**MR. CODY:** — Yes, I have it here. The grants under the program were \$28,000 in the year 1979-80 and they have gone to four credit unions — St. Mary's Credit Union, Kamsack Credit Union, Prince Albert Credit Union, and the Sherwood Credit Union. They are the four unions involved in this program. Basically the program has run two years and is still on the pilot project basis. We have not added any new credit unions to it. What it really is is for counselling low income people. Basically that's what it is. In some cases it goes to reduce the interest rates as well, however, by and large that was not necessary. In fact what most of the money went for was counselling people in their debts.

**MR. PREBBLE:** — What plans are under way to look at expanding this program to service all credit unions in the province? Have there been requests from other credit unions for the government to expand the program?

**MR. CODY:** — I think it takes several years before you can make a full assessment of a program like this where you are giving money to other organizations to use for you. As a result we want to make absolutely and definitely sure the people involved in the program who are getting funds and receiving the counselling are getting our money's worth. We have decided this year to look at two other credit unions. However, looking at the whole province may be some period down the road. But we are studying it. We're looking at it, hopefully we can bring in several more credit unions in the next year or two.

**MR. ROMANOW:** — Mr. Chairman, the hon. member has other lines of questioning. I'm going to move the committee rise, report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 5:02 p.m.