

EVENING SITTING
COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Co-operation and Co-operative Development
Ordinary Expenditure - Vote 6

Item 1 (continued)

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I want to inquire a little bit about the credit union system and particularly the inspection procedure, which were raised by my colleague, the member for Regina Centre, when this estimate was last before us. The question that I think is faced by the government, the department, is the extent to which you rely upon inspections conducted by the credit union movement, using the term broadly — particularly Credit Union Central — but the audits of the external auditors employed by the credit unions, and then the inspections and general supervision that is carried out by Credit Union Central, as opposed to the inspection system which is operated from the department.

Mr. Minister, are you satisfied with the inspection systems as they now operate, and do you feel that they provide a reasonable measure of protection against substantial failures on the part of credit unions?

Hon. Mr. Hardy: — Yes, Mr. Chairman, we are.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, what credit union . . . Let me put it this way. What credit unions have experienced financial difficulties in the last 12 months, let us say, such that your department or — I'm reaching for a name — the mutual aid board, under its new name, or Credit Union Central, has had to step in and either provide auxiliary management or otherwise had to step in?

Hon. Mr. Hardy: — Mr. Chairman, there's six credit unions that have had some supervision.

Hon. Mr. Blakeney: — Mr. Minister, could you indicate the approximate size of these credit unions? It is obviously one thing if the parish credit union at Wakaw gets into some measure of difficulty, and I'm not for one moment suggesting it is, and quite another thing if the . . . to pick one out — and again understand, I'm not for one moment suggesting any difficulty — say, the Prince Albert Credit Union or some larger credit union.

Hon. Mr. Hardy: — Mr. Chairman, I understand in the six, there's one with total assets of about \$90 million, and the smallest one is about \$1 million or a little better.

Hon. Mr. Blakeney: — Clearly, Mr. Minister, at least one of them is a major credit union.

With respect to the potential exposure of the deposit insurance corporation — I think I've got the right name now; that which was once known as the mutual aid board — approximately what exposure do you think that the deposit insurance corporation has now with respect to deposits which are guaranteed in the six credit unions which you have indicated? And now I'm talking

maximum exposure and we should, I suppose, preface that by saying that it's the highest degree unlikely that the maximum would ever be reached. But in order to have a bench-mark, what is the maximum exposure?

Hon. Mr. Hardy: — My understanding is, Mr. Chairman, that the deposit guarantee corporation would have about 22 million in guarantees that would be of some concern. But all the credit unions make it really clear that of the six, they're all in rehabilitation and they're all coming along really well. And we see and don't predict any problem at all with any of the six.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, just to move along on this line of questioning: could you make a comment on the state of arrears that is being experienced by credit unions, more particularly the rural credit unions? Are they facing substantial arrears in outstanding loan payments, or are they not?

My own experience in going about the province and asking credit union managers what their position is indicates that in general things are not too bad. But in certain pockets of the province, arrears are substantial with respect to credit unions. Would you care to make a comment on the state of arrears that is being faced by credit unions?

Hon. Mr. Hardy: — Yes, Mr. Chairman, I understand that there has been a slight increase in delinquencies in some pockets, as the hon. member mentioned. But deposit guarantee corporation feel that there's no problem there, that they feel quite satisfied that it's come along quite well. And, in fact, in some areas they're doing exceptionally well. So there's pockets where they're not doing quite as well; in other areas they're doing quite well.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, some time ago your predecessor expressed the view publicly that co-op activity could be significantly increased in the province by applying concepts utilized by the national consumer co-op development bank in Washington, and he indicated that he was taking some steps to see whether this model was applicable in Saskatchewan. And he indicated that in his trip to Washington he had been accompanied by Mr. Turner, the president of the wheat pool; and Mr. Leland, the president of Federated Co-ops; and the chief executive officer of the Co-op Trust Company, Ed Gebert; and the deputy minister. I wonder if you could give us any report on developments which may have ensued following this visit to Washington, D.C., about a year and a half ago.

Hon. Mr. Hardy: — Mr. Chairman, I understand that the Washington model, as it was looked at, didn't quite fit Saskatchewan. But we've now worked with the major players in the co-operative movement, such as the wheat pool and the credit unions and Federated Co-op, and they've come up with a development corporation for Saskatchewan. In fact it's been ongoing for the last . . . well since we looked at the other model. And it's come a long ways. In fact, they're almost ready to announce a development corporation using the three or four major co-operators in Saskatchewan.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, asking a few more questions along this line — and I'm now dealing with consumer co-ops as opposed to credit unions, as I think was the thrust of the Washington visit. My question really is this: there seems to be a fair amount of trouble in the consumer co-op area in Saskatchewan, in the sense that a number of the consumer co-ops are not being effectively directed by their board of directors, but rather pursuant to agreements with Federated Co-operatives Limited. And can you tell me which major co-ops are being operated pursuant to effective management contracts between the co-op and Federated, and which ones are operating in the standard way of management, reporting to their board and dismissable by their board?

Hon. Mr. Hardy: — Mr. Chairman, my understanding is that there is only two that's working under a management agreement with Federated. I think you're aware of them both, one at the Saskatoon Co-op and the Sherwood Co-op here in Regina.

But one thing we should say is that retail co-ops last year, 1985, had an excellent year in general, and that they feel very good about it. In fact it's the best year they've had in a few years. So as far as we know, that's the only two that has management . . . or is under management agreement with the Federated Co-op. And retail co-ops did last year have a really good year.

Hon. Mr. Blakeney: — Thank you. Mr. Chairman, and Mr. Minister, I think you could have fooled the co-op members in Regina and Saskatoon about how good a year it was. And since they are the two largest consumer co-ops in Saskatchewan — I believe that to be accurate; I think each of them is larger at least in volume than Pioneer — can you tell me in general terms how those two very large co-ops fared, and can you give an indication of why they are experiencing the difficulties they are? And I don't think there's any point in denying it, when other co-ops are enjoying, as you say, a very good year.

Hon. Mr. Hardy: — Well, the reason, or I'm told the reason that . . . The reason that the two major co-ops have problems is in the late 1970s and early '80s, they did some major renovations and changes to both retail outlets. At the same time their cost of borrowing and their cost of operating went up, and they also ran into the very highly competitive market out there. When things sort of started going down, the market was very, very competitive. And I'm sure you're aware that companies such as Eaton's and MacLeods, and some of them have had the same problems in some of the areas where they either didn't move into the competitive type market, or got caught by very highly competitive pricing out there.

(1915)

So these two, in our view anyway, run into the problem, not necessarily due to poor management or anything, but due to an expansion in the late '70s and early '80s. They then run into very highly competitive pricing, and at the same time interest rates in late 70s and early '80s. They then run into very highly competitive pricing, and at the same time interest rates in late '70s and early '80s were fairly high, and that hurt them quite a bit too because they

do borrow to expand and build.

Mr. Engel: — Thank you, Mr. Chairman. Mr. Minister, I was wondering if you had any explanation for the fact that a number of my co-ops have either closed down their lumber yards or cut back an awful lot in my riding.

Before you formed the government we had a good lumber outlet in Gravelbourg that was doing a good business; we had a good lumber outlet and a co-op in Lafleche that was doing a good business. Assiniboia built a very beautiful plant and home service centre that was selling lumber out of a big building that burnt down. When they rebuilt, they moved into much, much smaller quarters. The lumber yard in Coronach decided to go out of business.

I wonder what you would give as a reason for this happening in one constituency, you know. Surely there's got to be, there's got to be some reason, there's got to be some reason and some . . . Now, now, some of your colleagues, particular members of the cabinet that are sitting around you, think it's funny — think it's funny. Saskatoon Sutherland and the furrier man thinks it's a joke. But I think it's a reflection — it's reflection on your government's direction and your government's policy. And I was wondering if you would want to just enlighten the Assembly and give us your view why Assiniboia didn't rebuild to the extent they were in and moved into a smaller quonset; why Lafleche decided to get right out of it and sell their building to a couple of private contractors that are selling a little bit of supply out of there; and why Gravelbourg decided to get right out of it, and Coronach decided to get right out of the lumber business. And I was wondering what you would give as a reason why something like that should happen during your administration.

Hon. Mr. Hardy: — Well, Mr. Chairman, that's a question, I'm sure, that only the membership of your co-ops in your constituency can answer. In regards to . . . They rationalize whether it's a good investment or not. A lot of those people, you're aware, probably know all the members or board of directors; they make a business decision and it's a business decision by the local board of directors for that co-op area. And if it's in your constituency I can't speak for that, because I don't really know. co-ops make their own decision. It's an internal decision that they make — a local decision by the local directors. And I suppose if it's in your constituency I would be talking to them and asking them that.

Mr. Engel: — Mr. Minister, do you not relate the ability for lumber yards to be successful to a government's housing policy? Do you see any connection there at all?

Hon. Mr. Hardy: — Well, Mr. Chairman, the government's housing policy doesn't necessarily in any way reflect directly in rural Saskatchewan. We did back in 1983, Mr. Chairman, had a build-a-home program, and it did at that time stimulate in rural Saskatchewan, the small towns, quite a large number of new homes. But you know, new homes are built as the farmers and the area residents need them. But there is a lot of renovations or whatever goes on. Directly the government can only in one way or another stimulate so much. They did in 1983. They had a \$3,000 grant that was available. And now in

1986, it's there available again. But I suppose farmers, like the rest of us, rationalize and say, should I build a new home this year, or should I make sure what the price of wheat is or what my job's going to do? And I think that's very important to recognize. Most farmers are very, very good business men. They take a look at it. They say, let's make sure — it looks like a great spring but let's make sure the crop's going to be there; let's make sure that I'm going to get a decent price for my grain — and then we'll take it from there.

Mr. Engel: — Has that only happened, Mr. Minister, in the south-west or the south-central part of the province, or are there more? How many lumber yards did the co-op decide to go out of business? How many areas other than those in my area?

Hon. Mr. Hardy: — Well, Mr. Chairman, you know, we don't have any number and if there's two lumber yards or 10 lumber yards, or how many has been added, new lumber yards been added, to the co-op retail outlet. They're registered as a co-op for an area, whether it's Assiniboia or whether it's Gravelbourg or wherever it is. And they make those decisions internally themselves, and they work, I'm sure, with Federated Co-op to help make some of those decisions.

I can speak only for my own area, but I could think of my own area where the co-op has both expanded the lumber yard in Tisdale; they put a new home centre in Hudson Bay; they've got a new home centre in Porcupine; and in Archerwill they rebuilt the whole lumber yard — and we're right in the midst of forest up there.

So I can't speak for your area particularly nor any other area. But I do know that co-ops in fact are putting up or renovating new areas, or new lumber yards. And certainly some would be closing — and businesses close and change around. But I can't speak for them; they'd have to make that decision themselves.

Mr. Engel: — Well, I'm not saying that that decision came from your department. But I'm wondering: as Minister of Co-ops, are you aware of lumber yards, in particular in the building industry like that, that have consolidated, decided to move to smaller premises, or decided to discontinue selling lumber for a while? Are you aware? Do you keep a catalogue, or do you know how many co-ops there are? As the Minister of Co-ops do you have so little concern for the co-op movement that you don't even know how many co-ops have built new lumber yards, or how many have stayed put, and how many have moved out of the business?

And I think that's one area that the minister should know what's going on. And I'm wondering if you have a number of the ones . . . of how many that decided to pack it in; and that under your administration it's not worth stocking lumber and trying to sell it because the people aren't going to make enough money to build houses. And I think that's a reflection on your government. Now as a department and as Minister of Co-ops, surely you know. You didn't know how much money your guys in Sask Forest Products were getting; you didn't know quite a few answers yesterday; and I'm wondering if you at least know how many lumber yards closed down in

Saskatchewan last year or during the last term of office. And I think that isn't asking too much for the Minister of Co-ops.

Hon. Mr. Hardy: — Well, Mr. Chairman, we don't know and we don't keep track of how many lumber yards have closed or if they've opened new ones in the province. We could probably get that information in he'd like, and I'm sure if he asked the Federated Co-op over here as member, they would probably give him the information, too. I don't believe it's a secret in any way. That's up to the co-ops.

They run their own business. We don't run them. We're only out there just to assist and to help set one up; or if they have problems, to advise them. We don't necessarily in any way have anything to do with it, period. We don't have anything to do with the retail outlets in this province that's run by Federated Co-op or any other co-operative movement, in that regards of running the operation.

There's 1,313 co-operatives in the province of Saskatchewan as of March 31, 1986. Of that, 217 are credit unions; 1,060 are provincially incorporated co-operatives; 29 are registered co-operatives under the credit unions; and incorporated co-operatives under special legislation is 7: to make a total of 1,313.

Mr. Engel: — Out of those 1,313, how many of the co-ops that are organized were selling lumber as of 1986?

Hon. Mr. Hardy: — Well, Mr. Chairman, we don't have that particularly, and I'm sure that if he asked Federated Co-op, they'd give it to him. We'll get it for him if he likes. Like I say, it's no secret. We don't have it because we don't run the co-ops. Let's make that really clear. We do not run the Federated Co-op or any local co-operative. We're only there at an advisory level, if there's some problems. The only thing that we do, we do the inspection of the credit unions. That's basically all we do and an inspection of the co-op audits. And basically, that's all. And we don't have nothing to do with the operating of the retail outlets in this province. That's run by the local co-operative, and sometimes with management assistance from Federated Co-ops, but certainly not from this government. Nor should we. That's run . . . They've got the membership out there; it's almost 500,000 on the membership list. They also have very good board of directors in most cases. They hire usually very competent managers. And why should the government in any way at all, interfere with them? I think they're doing an excellent job. They've come through some pretty tough times. They look really good, and I just think they're doing well. And they do not need or do not want government interference.

Some Hon. Members: — — Hear, hear!

Mr. Engel: — I can see the member for Yorkton clapping and I can see the member for Weyburn clapping and they think it's great. They think it's great to respond and clap to the Minister of Co-ops that says, here's a business; we're the Department of Co-ops, but you guys, you're on your own; you go in this rough world of economics and you make it go. And I want to tell you, Mr. Minister, that's about as much as you did for the Department of Co-ops.

And I'd wager that if you'd ever get another term to serve as Minister of Co-ops, you'd even do less for them.

An Hon. Member: — What would you do?

Mr. Engel: — What would I do, I was asked. Well I'll tell you, Mr. Minister. I'd know how many co-op lumbars were in enough trouble that they had to close. I'd know that much. I'd know how many had closed under our administration. And I'd know why they were in trouble.

As Minister of Co-ops . . . And I don't know, Mr. Chairman. If you're not going to keep the member from Weyburn from hollering from his seat that I have to keep raising my voice louder and louder to try and drown him out . . . but if you aren't going to tell him to be quiet, I will. So would the member for Weyburn please keep his trap . . .

Mr. Chairman: — Order, order. I think that members on both sides have considerable trouble listening to . . . Order! Order! I can hear you very plainly now. Order! Order! The debate continues.

Mr. Engel: — Mr. Chairman, my colleagues were quietly supporting me.

Mr. Chairman: — Order. I said the debate continues. That subject is over; the debate continues.

Mr. Engel: — I'm certainly not agreed to the attitude this government has towards co-ops in Saskatchewan. I'm not agreed to say that I would sit by and let all those guys hoot and holler about co-op lumber yards closing down and thinking it's a big joke and that the minister has no responsibility and doesn't offer any advice or any consideration or any help or advise his caucus for programs saying, look, there's lumber yards failing across Saskatchewan; there's got to be a reason for it — there's got to be a reason for it. There's got to be a reason why four neighbouring lumber yards in four towns across southern Saskatchewan had to close their doors. There's a reason for that.

That's not the local management, because I know every manager; I could name them for you. Every manager of those lumber yards were the best of guys. They knew how to run a lumber yard; they were doing a good job. But there's a reason why those fellows had to close their doors.

There was a fire in a brand-new plant in Assiniboia. The home centre in Assiniboia burned. And when they rebuilt, instead of building a \$200,000 plant like they had, they moved into a quonset. They consolidated their program to keep the lumber yard from . . . and keep the co-op from losing money. There's a reason for that, Mr. Minister.

Now if you think that you have no responsibility at all, that shows where you're coming from. Like I talked to some young kids from Assiniboia today; there's a difference between our basic philosophy, between what you stand for, and what you and what we do. We have a different philosophy towards the co-op movement, and I am sure there's never been an administration under my

leader's administration in 11 years of government where the minister of co-ops wasn't aware of co-op lumber yards shutting down, wouldn't know how many shut down. It wouldn't be heard of — it wouldn't be heard of. It's a disgrace that the minister doesn't know what's going on in the co-op movement.

Surely you let them go. That's like father saying, my kids have a chance to go and run and do what they want; I'm not interested. Mr. Minister, you're the father of co-ops. You should be concerned about the co-op movement. And when the co-op movement's in trouble . . . And I know the member for P.A.-duck Lake's hollering louder, louder, and he can't keep his mouth shut during this debate. But I want to tell you, Mr. Minister, that there's going to be a lot of your colleagues in big trouble because you didn't know what's happening in the co-op movement and you didn't care.

(1930)

You created an environment where the co-ops decided it's better to close their doors; it's better to walk out of our lumber yards and leave them sit empty than to continue operating. And that's a serious decision, but that's a reflection on the mood in Saskatchewan today. It's better to fold up and close up than to stay open with this administration, and I think it's a reflection on you that you don't even care and haven't got the numbers.

Now I asked you: out of 1,313 co-op movements in Saskatchewan, how many of those sold lumber? Can't you tell me that much?

Hon. Mr. Hardy: — Well, Mr. Chairman, I can't resist thinking that the hon. member is suggesting that governments should be big daddy to co-ops and they should be out there running them. That is absolutely . . . I just can't believe anybody would suggest that. I believe — sincerely believe — that the co-operative movement in this province can run their own business. I don't think they need us or anybody else to tell them how to run it. They live by the rules and they abide by the rules.

And just to inform the legislature here and the people of Saskatchewan how we have worked with the co-operative movement over the last four years, and just to tell you some of the things that we did that was never done before, something they have been asking for many years — you know, a new co-op Act was brought in here — in fact enacted here just about six months ago — and it combined three outdated Acts. The Acts were put together over the last years and was brought in, I believe, effective January 1, '86 . . . (inaudible interjection) . . . Oh, October. Then we brought in the new credit union Act. It replaced the 1937 Act.

And they have been asking, both the members opposite when they were government and us, to bring forward a new Act. We brought it forward with all their consultation. We worked with them over the last three years. And in fact that was January 1, 1986. That's the date that became law. I believe it's a good Act, and I believe that the credit union people are very happy with it.

The co-op upgrader, working with the Federated Co-op over here . . . And now we're in the process of building a brand-new upgrader for this province using heavy oil. Up till then 98 per cent of all the oil used in the refinery here, or still is in the refinery down here, came from Alberta. They couldn't use our own oil in Saskatchewan. When this is put into place they'll be able to use the oil from Saskatchewan. That's important. That's jobs for this province.

So that's just a few. Also they should know that there's 18 district representatives around this province who work with small co-operative movements, whether it be setting up a day care for children where women are working, and they need a place, a small day care, in a small town; whether it be a small co-operative movement; whether it be an agricultural small co-operative movement; whether it be a seed cleaning plant. I'm sure there's many of them been set up, just to list a few — what we've been doing out there during the last four years. And we've worked very closely with them. We ask them for their advice. They give us lots of help, and I mean lots of help. They give us lots of direction, and I believe that it's working really well. And they're very satisfied with the way we have worked with them to put in place some of the things they would have liked to have seen over the last few years.

Mr. Engel: — It's interesting that the minister would want to talk about day cares when we're talking about lumber yards. That's really interesting, Mr. Minister. And I have no problem with day care co-ops, but the problem I have is what attitude and what position you have taken as far as some lumber yards that were in trouble is concerned.

You mentioned the heavy oil upgrader. Are you saying you weren't big daddy in that operation? Are you saying you weren't the daddy involved, like I'd be starting my son in a business and helping him — putting up some cash? Are you saying you weren't fulfilling that role in the upgrader? That's an example you use.

All I'm asking you, Mr. Minister is: of those 1,313 co-ops, how many were selling lumber? Can't you give me that answer? Aren't you going to talk about that? And I'd like to know how many were in the lumber business in '86 and how many were in the lumber business in '82, and let's do some comparisons. Let's see when we can get these numbers out before the people so they know the kind of environment you've created; so they know the kind of environment you've created for co-op movements and for the co-op movement to succeed and to get ahead. And you know it, and I know it; that we never interfered or influenced co-ops in any way, shape or form as far as either aggressively promoting or dictating policies, or directions, or dragging our feet the other way.

I think there's a role the Department of Co-ops should play, and one of those roles is: at least the minister and his officials around him here tonight would be aware if there's a certain, serious problem in one aspect of the co-op movement. I'm suggesting in southern Saskatchewan there's a problem in the lumber industry. That problem is created by the decisive plans of this government; the decisive plans of this government have made it impossible for lumber yards to survive. And I'm

wondering what kind of advice you gave them.

You said your role is one of an advisory role. What kind of advice did you give either Federated or Gravelbourg Co-op, or Coronach Co-op, or Lafleche Co-op? What kind of advice did you give those people as far as their lumber businesses were concerned? What role did you play, and why did you tell them, fold your tents and silently steal away? Why did you give them that direction? Why didn't you tell them, there will be a brighter day? Why didn't you tell them what your housing plans are going to be so that these people could sell some housing units?

I think what this demonstrates clearly is that you likely have friends in the lumber business. You have friends like Weyerhaeuser. You decided to interfere there. You decided to put up a pulp-mill for them, and give them the timber industry and one-quarter of Saskatchewan's timber, with nothing down and don't pay unless you make a profit. That's the kind of deal you make for them. What kind of a deal did you have for . . .

Mr. Chairman: — Order, order. Order! I'm certain that that pulp-or paper-mill, or whatever has to do with that, has absolutely nothing to do with the subject we're on. And let's get on with the estimates.

Mr. Engel: — Mr. Chairman, I have a hard time stretching my imagination to see where you're coming from. How we can have . . .

Mr. Chairman: — Order. Order! I have made my ruling. That is final, and it has no place in this discussion.

Mr. Engel: — I'll tell you, Mr. Chairman, I will tell you how I related Weyerhaeuser's deal to the co-op lumber.

Mr. Chairman: — Order. Order! I am determined that this is not part of this discussion and will not tolerate it. So let's get on with the estimates.

Mr. Engel: — Mr. Chairman, we can set up some rules, what we'll discuss, and I'll abide by your ruling. I'll abide by your ruling. But I want to tell you, Mr. Minister: how much local timber does the Federated Co-op lumber market and distribute in Saskatchewan? How much of their timber that they're selling . . . How much of the lumber they sell comes from local timber? What percentage?

Hon. Mr. Hardy: — The first part of your question there, when you asked about why they would close lumber yards in the area — one of the reasons they may have been closing some retail outlets in the area, and I only say maybe, is that the co-operatives have went into what they call area development. And certainly we hear very much of what the wheat pool has done — exactly the same thing with their retail outlet and their fertilizers and chemicals and their farm supplies. They have gone into area development where they have one outlet that services a trading area, they call it.

That may be true in your area down there; I don't know. It's a decision made conscientiously by whether it be the wheat pool for their farm service, or for the co-operatives

for their farm service. And you know, like, that's the decision they would make and we do not in any way have anything to say about that; and like I said earlier, nor should we.

So just put it, maybe one of the reasons it happened . . . Now I don't know; in the areas that I'm familiar with it hasn't happened, although it did happen with Sask Wheat Pool. They did in fact consolidate all their farm supplies into one area that service a large trading area. But other than that, we just don't . . . And the answer to your last question, was: what percentage of lumber that is sold in Saskatchewan would co-operatives sell? I wouldn't know. We could probably ask Federated Co-op and they would maybe have some breakdown, but there's a large number, almost 1,000 retail outlets in the province. How many of them are lumber yards and what percentage of lumber they sell, I would have no idea. We could get it for you, but I'd have to go to Federated Co-op. It's their business; they run their own shops and they would give it to us; we would certainly pass it on to you.

Mr. Engel: — You represent an area that personally as a minister and as a local MLA that has a number of sawmills in your area. How much of the timber that is sawed and cut in Saskatchewan would you say is marketed through Saskatchewan's lumber yards, through the Saskatchewan co-op lumber yards?

Hon. Mr. Hardy: — Well I couldn't answer that, but one thing I could mention while I'm answering your question is that Federated Co-ops have their own lumber mills in B.C. and they basically bring all their lumber from B.C. into Saskatchewan. We tried two or three times to sell to them from Sask Forest Products but because they have their own mills, although it was probably cheaper buying from Sask Forest Products, they felt they should at least keep their own mills operating out there. So it was a decision by Federated Co-op at that time to continue to operate their mills in B.C. and bring the lumber in from there.

So I believe they sell very little of Saskatchewan lumber, except for maybe, say, a bit of plywood . . . or not even that, maybe. I don't know, maybe a bit of lumber where they run short in some of the areas. But basically, most of the lumber comes from B.C. to the Federated Co-ops.

Mr. Engel: — I'm aware of that, Mr. Minister. And I was just wondering if you at least knew that much about it. I'm pleased that you know what's going on.

But the point I was making is that you were prepared to go to a company like Weyerhaeuser, assign to them a large bulk of timber in Saskatchewan, and yet you're not prepared to give the same kind of deal to Federated. If you would give to Federated the same kind of deal like you did to Weyerhaeuser. I'm sure they'd sell Saskatchewan timber — I'm sure they'd sell Saskatchewan timber, and they wouldn't have had to close down. They wouldn't have had to close down their lumber yards.

And as far as taking and using this other argument that you're saying, that they're consolidating their lumber sales; they've consolidated to the place that . . . Where I live, if I'd want to buy lumber from a co-op lumber yard,

I'd have to go a long ways because there just isn't one around. There just isn't one around.

I'll tell you, Mr. Minister, I'm personally very, very disappointed in the Department of Co-ops and the kind of advice and the kind of stability you give to the industry, that in an area . . . And you take and look at a map and you go from Gravelbourg down to Coronach. And you have a small lumber yard at Assiniboia, but all the others around that were there, that were selling lumber when we were government, are not selling lumber today. And I think that is a measure of the success of your Department of Co-ops. That is how you measure the Department of Co-ops and how effective they are.

And the people around the constituency are going to know that that's the kind of opportunity and that's the kind of business climate you provide. So close them up; shut them down. If you can't make it, move out. That's the Co-ops' attitude when you're running a Department of Co-ops from a Conservative philosophy. When you have a Conservative right-wing philosophy like yours, you can stand up in this House and say, we're not going to interfere — we're not going to interfere. But you do with some other companies.

If you want to process pork, give him a \$20 million loan guarantee and a \$10 million forgivable loan. If you want to saw off timber — if you want to saw off timber and grind it down to pulp, give it to them free of charge. No payments, unless you make a profit.

But if you've got a co-op lumber yard, your answer to them is, shut her down. And, Mr. Minister, that is what this next election's going to be all about. And that's the millstone that's hanging around your head as Minister of Co-ops. You have done it to them — not for them — as minister. You've done it to them. And all the co-op lumber yards in my area that are not operating know the kind of deal you gave Weyerhaeuser. They know the kind of deal Pocklington got. They know the kind of deals you have for your other friends. But they know that when it comes to co-ops — go it alone; go it alone.

You can bring all the goons in you want to do the hollering here, Mr. Chairman. I don't mind. But the minister has to answer for this one.

Hon. Mr. Hardy: — Well, Mr. Chairman, first of all to make it absolutely clear that whoever cuts forests in northern Saskatchewan . . . And I can sure tell the hon. member has never been up where the forest is. I can tell you. He doesn't understand the forest industry, and I'm not going to go into a long related story about forest industry. But just to say that anybody that cuts forests on Crown lands pays stumpage, pays the due directly to the Consolidated Fund of this province. It always has and always will, I would assume. So anybody that cuts forest will do that, regardless of any other deals.

But what he has said up there this evening sort of upsets me a little bit. What he is saying — that he doesn't believe that the co-op are good enough managers to compete with the private retail outlets. And I can tell you something — that's not true.

(1945)

I compete actively in the town of Hudson Bay against the co-op, and they're my best competition I've got. They're excellent managers, run an excellent shop. And I have a great deal of respect for them.

They are in fact as good as, or if not better than, a lot of private sector people in this province. And I believe that they're competent, that they can run their own business, and they don't need us in there telling them how to do it. In fact, in some cases they can run it better than we can.

So I can see no . . . And I would wonder why the member would say . . . But that's what he really said. He said, I don't believe they're good enough managers in his areas to compete with the private sector.

And that's just unbelievable, and I don't believe that at all. I believe he's mistaken; that he's got the wrong idea there. That probably was an area development, and the co-operative in my view anyway can run a very, very good shop — have for almost 100 years now, will continue to do so for many, many more years.

Mr. Engel: — Mr. Chairman, Mr. Minister, you know I didn't say that.

You are putting words in my mouth that you're intentionally misleading this House tonight. Because I never said that. I told you that I'll put the managers in my co-op areas that I know that were the lumber managers up against any manager in Saskatchewan. I told you that at the start. They're the best managers around.

And the thing is, Mr. Minister, I didn't raise with you — I didn't raise with you the private lumber yards that closed down. I never listed them because we're talking about the Department of Co-ops. We're not talking about the private sector. If you want a list of the private lumber yards that closed down, I can give you those too.

You cannot — in a town of 1,200, the size of Coronach — you cannot buy a board. You can't buy a piece of plywood in Coronach today, thanks to your climate. It can't be done. There's nobody selling it, and there were two lumber yards selling lumber in Coronach.

I want to tell you, Mr. Minister, your government is a dismal failure in the co-op sector. It's a dismal failure in the private sector. It's a dismal failure when it comes to creating a climate where people will survive; where people will build houses; where people will buy lumber that'll make those things go.

The point I'm making, in spite of all the hollering that the member for Kindersley and all the other members are doing — the point I'm making, Mr. Minister, loud and clear, Mr. Minister, is: don't tell people that I said the co-ops are poor managers because you know that is a dishonest statement that I never made in this House, and anybody listening tonight will know I never made that statement.

The statement I'm making, Mr. Minister, is that you didn't provide the climate where these people could survive.

And they decided to shut her down because they didn't get the direction from you as to what they should do.

And I said they didn't get the kind of help that Weyerhaeuser got, or Peter Pocklington got. You didn't have any money for them, and your loan guarantees or any inexpensive money. You had . . . You know the words this man is using? Do you tolerate that kind of language in this Assembly? Do you really tolerate that?

Mr. Chairman: — Order. I cannot hear what any other member is saying. I would ask that there be, or the House be . . . come to order, and carry on with the debate.

Mr. Engel: — Mr. Chairman, when the member for Kelvington-Wadena's hollering the obscenities like he is in this House, and you don't hear it — you don't hear it — you've got tunnel vision. You've got tunnel hearing.

Mr. Chairman: — Order. Order. Sit down. I said order. This sitting is not going to continue in this manner. I demand that this House come to order and get on with the proper order.

Mr. Koskie: — Mr. Chairman, on a point of order. I want to ask whether we in the House here have to take the obscenities that are being thrown at us, as loud that can be totally heard from the member from Kelvington-Wadena . . .

Mr. Chairman: — Order, order. Order, order! Order! Order! Order! I did not hear anything. Order!

Hon. Mr. McLeod: — Mr. Chairman, as it relates to the comments of the member from Quill Lakes who rises on a point of order and suggests . . . Speaking to the point of order that he raised, Mr. Chairman . . . (inaudible interjection) . . . Now the member from Quill Lakes — you want to talk about the pot calling the kettle black! — when he talks about any other members in this House, that member from Quill Lakes to stand in the House and talk . . . (inaudible interjection) . . .

Mr. Chairman: — Order, order. A point of order is not debatable. We'll continue with the debate.

Mr. Engel: — Mr. Chairman, in the middle of an argument, if somebody uses the kind of profanities . . . (inaudible interjection) . . .

Mr. Chairman: — Order, order! The debate will continue or we'll go on with another member's question.

Mr. Engel: — Mr. Chairman, I would appreciate you calling order because I don't like it when profanities are called from my back from the member from . . . when the members are doing this. And I think I was debating a point of order and . . . I was not debating a point of order; I was debating a situation. I was debating a situation that talked about the business climate that is being created by this government. And the members have become very, very sensitive. All of a sudden members are starting to slur my remarks with profanities and I don't like it, Mr. Chairman. And I wish you would listen as these members are doing that. I wish you would listen. Because I think it's outrageous . . .

Mr. Chairman: — Order! I have already ruled on that point of order, and I asked that the debate continue. And if you're not going to continue the debate, I'll take a question from another member.

Mr. Engel: — Mr. Chairman, I am talking about the environment in Saskatchewan that is conducive to lumber yards making some money and staying afloat. That hasn't happened during your term of office. This government's business climate is such that lumber yards haven't been able to survive on the private sector. And if you want the list of those that haven't survived on the private sector, I can give them to you. And if you want the list of those that survived and can't survive under co-ops, we'll talk about those — we'll talk about those that haven't been able to survive.

And Mr. Minister, for you to interfere, for you to interfere and say that I'm saying that co-ops are not good managers, I think is despicable, because I didn't say that. I said that the managers in Gravelbourg, the manager in Lafleche, the manager at Coronach, were very good lumber managers. They knew their business. They knew their business. I've dealt with the managers from both Lafleche and Gravelbourg over my lifetime of living down there. Those guys were running a good business. They decided they had to close their lumber yards because of the business climate that's there. And I think it's a reflection, it's a reflection on your housing plans, and that's one of the reasons — that's one of the reasons, Mr. Chairman — why we came out with a housing package that's going to create an environment that lumber yards will survive, that people will have jobs.

Do you know, Mr. Chairman, that in the lumber yard in Gravelbourg that there were five employees at one time? Five people! That's what we got, thanks to the environment you provided for the lumber yard there.

In the lumber yard in Lafleche there weren't five; there were only four — there were only four. And you know, Mr. Chairman, I am depressed when I go to Lafleche and look at the business environment you've provided for that community. That community has tried everything and even mentioned in the budget how they have provided incentives so that the people don't have to pay their business tax. Anything to survive. Anything to survive and stay alive they've done to help their local businesses. But under this administration they weren't successful to keep a lumber yard going in the co-op movement.

In Assiniboia there was a beautiful large plant on the corner; the nicest home service centre in Saskatchewan, as far as I'm concerned. It was a big plant. It was great. It was modern. It had good show facilities. It was a beautiful building, but you know, they had the misfortune of having a fire. They had a fire. And when it burnt down, Mr. Chairman, do you know what they did? They didn't rebuild the \$200,000 plant like they had there; they built a quonset. And they put up a little quonset hut to store some lumber. And they're going to survive and operate under that quonset because of the business climate that you've created there. That's what they're doing in Assiniboia.

Coronach built a new lumber yard since the town expanded. The co-op built a new lumber yard, a good building, a fabulous building. That building is empty. Today that building is standing empty as a sign of the times — a sign of the times. The times are this, that under a PC government, under a PC administration, times are tough. You don't build houses; you don't build buildings; you don't build garages. You don't expand and develop and fix things up. You sit tight and hope for a brighter day and hope for a better climate.

And that's the kind of climate you have provided for Saskatchewan. And I think that it's typical, it's typical of Tory Saskatchewan where things are dismal. The guys that built are sorry they did because they're having trouble making their payments. And the guys that didn't build closed their facilities down because you haven't provided the business climate. And you haven't been able to generate the enthusiasm to keep those places alive.

And it speaks well for the Minister of Co-ops that doesn't even know how many co-op lumber yards we've got in Saskatchewan. That's the sign of the interest the Department of Co-ops has in the co-operative movement. You don't want to give me how many lumber yards there are today compared to how many lumber yards there were in 1982 because it'll show you up. There's only one reason why you won't give me those numbers. I don't believe it for a minute that you don't know the answer. I don't believe it for a moment.

When there are four to one, and one of those is half throttle in my riding, I know what it must be like right across Saskatchewan. I know what it must be like. And so I'm saying to you, Mr. Minister, you don't know those answers and you don't care about those answers because, as far as you're concerned and like you said here before, they'll survive on their own. Well sure they will. They've been around for a long time, but they're also waiting for a brighter day when they can have a chance at a government that cares about the co-ops — cares about the co-ops.

And I'll tell you, they will flourish again. And the day will come, those plants will reopen, and they will be booming, and people will be working, and jobs will be out there. And there won't only be five guys selling lumber in Gravelbourg; there will be another 50 carpenters at work, nailing that lumber up. And I want to tell you, that's the kind of depressed economy we've got in Saskatchewan, thanks to the environment you've created.

So I want to just close this portion of it, Mr. Chairman, by saying that that's the kind of Co-op minister we've got that doesn't even know how many lumber yards we've got in the co-op movement. I think it's an indication of a minister that didn't know what he was paying his manager of Sask Forest Products. And the story we've gone through over and over again — \$10,000 a month, and he was getting paid for his grocery allowance; he was getting paid to fly back and forth to Vancouver. You know, Mr. Member for Wilkie, that you're in trouble. You know your . . .

Mr. Chairman: — Order, order.

Hon. Mr. Hardy: — Mr. Chairman, I think the last few minutes that the member for Assiniboia-Gravelbourg was speaking, I think I should just outline for him some of the things that are happening in the co-operative movement and have happened over the last few years, just to bring him up to date so he understands what the co-operative movement in this province stands for and what they do for this province. I'm not sure he really understands the role they play here.

Did you know that over 80 per cent of Saskatchewan farmers market all or some of their agricultural products through co-operatives; and in total co-operatives and credit unions employed 13,770 people in this province; and the total sales by Saskatchewan co-operatives exceeds \$6.1 billion dollars during 1984 - '85?

And did you know the total assets of Saskatchewan co-operatives exceeds \$6.4 billion; and that they have 200 retail co-operatives with 82 branches that had sales of 722 million in '84 and '85? This accounts for 16.3 per cent of the total retail sales in this province. That retail co-operatives employ 4,000 Saskatchewan people including both full-time and part-time employees, with the total salaries paid in excess of \$60 million?

That 47 co-operative day cares represent 55 per cent of all the licensed day cares in this province?

That 90 per cent of all the fish is marketed through fish co-operatives in northern Saskatchewan?

That 218 credit unions with 140 branches have total assets in excess of \$3.9 billion and they have a membership of 566,867? That credit unions employ 2,450 Saskatchewan residents and they have total salaries of \$53 million? That the total assets of credit unions account for 25 per cent of all the deposits combined financial institutions in Saskatchewan? That credit union loans account for 19 per cent of all the loans in Saskatchewan?

That 30 per cent of all the residential mortgages in Saskatchewan and 17 per cent of all the farm loans are through credit unions? That 16 continued housing co-operatives have over 700 housing units?

(2000)

That 20 per cent of all the people employed by financial insurance and real estate industry in Saskatchewan are employed by the co-operative? That 10 per cent of all people employed by the transportation and storage industry in Saskatchewan are employed by co-operatives?

That the Co-operators continue to rank as one of the top three life insurances in Saskatchewan amongst approximately 105 different life insurance companies; their total market share in terms of life insurance is approximately 10 per cent. The Co-operators also have a 10 per cent market share in terms of property insurance.

That in 1985 listing of Saskatchewan top 100 firms, four of the top 10 co-operatives in the total of 28 co-operatives are included in this top listings? The two largest industries with headquarters in the province of Saskatchewan are Saskatchewan Wheat pool and Federated Co-ops — just to give you an idea of what the co-operative movement in this province is all about.

Mr. Engel: — Supplementary there, Mr. Chairman. It's interesting that you'd know how many day-care co-ops there are and you'd know some of those numbers, and you wouldn't know how many retail lumber yards there are. I still can't believe that with all the lists you've got there that you wouldn't know how many retail lumber yards are operating in 1986, January of this year. How many were selling boards? Surely you'd have that number.

Hon. Mr. Hardy: — Well, Mr. Chairman, a lumber yard is part of a retail outlet in Archerwill, Saskatchewan — Archerwill, Saskatchewan, if anybody happens to know where it is. They have a large co-op store with a lumber yard right attached to it, and that's part of the retail outlet in Archerwill, Saskatchewan.

In Tisdale, Saskatchewan — if anybody's been to Tisdale, Saskatchewan — Federated Co-op, it's one retail outlet, the lumber yard and their food store. So that's how it's set up.

So many, many places . . . I'm sure the hon. member knows that in his area many places — many places — are just one retail outlet. So I can tell him the number of retail outlets in this province. I don't know what those retail outlets sell. I don't know what the Federated Co-op buy or where they buy it from. We have tried to sell them some, as I said earlier, Saskatchewan Forest Products, some of the lumber, but they bring it in from B.C. I understand that Federated Co-op are trying to get out of the forest industry even in B.C. I understand that one of their mills out there they've already closed.

But getting back to the retail outlets, I can't tell you how many lumber retail outlets the co-operatives have in this province. I can give you the total number of retail outlets that's under the co-operative movement in this province, and that's what I've done — there's 200 of them. And they sell \$722 million worth of sales, and that's 16.3 of the total sales of this province. I can tell you that. That's lumber yard, that's farm supplies, that's all the stuff, anything that goes with it — groceries and hardware and all the other stuff that would ordinarily be sold in this province.

So I can't tell you how many lumber yards. But, like I told the member earlier and I'll tell him again: if he wants to know, I'll ask Federated Co-op and we'll be sure and send it to him.

Mr. Engel: — The point I'm making very clearly is that the Minister of Co-ops should have no problem — no problem — keeping an eye on the industry and knowing what's happening by watching how are our retail fuel sales going, how is our grocery sales going, and how is the lumber industry going, and how is the merchandising going as far as even clothing are concerned.

I'm aware, Mr. Minister, and I'm sure as you are from personal experience, that the co-op has decided for some reason or other to get out of many of their outlets where they're selling dry goods and clothing. They've decided that that aspect of the business isn't profitable. I don't know if it's because people want to be more selective or what, but there are less co-op outlets selling clothing today than there were, say, 10 years ago.

One of the keys that have changed dramatically in the co-op movement is the changes that they've made as far as it reflects on lumber. And I think the Minister of Co-ops should know why that's happening, and especially somebody that is also the minister of Sask Forest Products. Somewhere along the line, like you're talking to them in the Federated for a heavy oil upgrader, the same kind of philosophy should be applying, and you should be using your technology and your experience, and your dual role is so effective right now.

This is a tremendous opportunity you had, Mr. Minister, that you passed up in the longest term that we've ever had a government since the war. You've had the longest term — don't tell me you haven't had enough time.

But here you've been, coming from the forest end of Saskatchewan where there's the sawmills and the timber industry, and everything's there — coming from that area and representing those people and those industries — and seeing in the movement, in the co-op movement, seeing there's trouble in the lumber industry, why you couldn't say to them, let's get this thing together? There's got to be a reason, there's got to be a reason, there's got to be a reason . . . (inaudible interjection) . . . Mr. Chairman, are you going to keep order in here, or are you going to just let him bray away?

Mr. Minister, there's got to be a reason, and you've got a solution. You have a solution at your disposal that you could be talking in your role as adviser and as Minister of Co-ops and as minister of Sask Forest Products.

Why did you give it all away to Weyerhaeuser? Why did you give it all to him when you could have saved a little bit and given some to the area where you're minister of as far as the co-op movement is concerned and the co-op lumber movement is concerned? Why did you have to give it all to Weyerhaeuser, with no repayment unless there's a profit, when you could have given the lumber industry some of the sawmills and some of the lumber aspect of it?

And here's where it demonstrates that you care more for your wealthy friends in big business than you do the co-op movement. It's a reflection on your government and your inability to help in a situation where there's some trouble — plus not providing a good climate for building houses. Plus that is the real — that is the real — measure of the success of the government. That's the real measure of success — you haven't provided the atmosphere and the climate for these people to survive and to get by.

So I think, Mr. Minister, just stand up and tell us you've been a dismal failure when it comes to the lumber aspect

of co-ops, and we know that then you'd finally be telling the truth and calling a spade a spade.

Hon. Mr. Hardy: — Well, Mr. Chairman, I'm not going to read everything that we've done, as I read earlier what we've done working with the co-op movement in this province over the last four years. But certainly the co-op Act and The Credit Union Act, I think, represent our care, and our working with, for the co-operative movement here.

We have sat down and we've said, you are a group of people who can run a very competent business. And if they need us, if Federated Co-op needs our advice, they'll ask for it, I'm sure. They're very, very competent people. And if they need some advice or want some . . . if we can help them in any way, they'll certainly ask us.

We meet with them on almost, the department does, on a daily basis. We have 18 district representatives all over the province meeting with local co-operatives. We have our office here in Regina, our department here in Regina, who meets at least on a monthly basis, weekly basis, even daily basis sometimes, in regards to things that needs to be done or could be done together or we could help them with. So I'm sure, if they need to, that . . . The gentleman's left; there's no use answering more of his question anyway, so . . .

Mr. Sveinson: — I have just followed the debate with some interest this evening, Mr. Chairman, and I find an interesting presentation from the member from Assiniboia — one that included smoke and mirrors. He had a real story about smoke — a fire in, I think it was in Assiniboia. They replaced the lumber yard down in Assiniboia with a building that was a little less than the building that burned down. I wonder if SGI gave the Assiniboia Co-op the same problem they gave Mr. Townsend when . . .

Mr. Chairman: — Order, order. Order. Order!

An Hon. Member: — What's wrong with that? It's a legal question. This is a committee . . .

Mr. Chairman: — No, I do not find this on the subject of the estimates. I think we'd better get into it now, rather than going into those kinds of comparisons. They're not relative to this.

Mr. Sveinson: — No, I don't disagree, Mr. Deputy Speaker. I guess the Townsend fire and the fire in Assiniboia certainly don't have any relative comparison with respect to the debate on co-operatives. I've heard a lot of diatribe here tonight that certainly doesn't have any relative place in a debate on co-operatives either.

The number of lumber yards, for instance. I think if you go back to the teens and the '20s in Saskatchewan, you'll find that, for instance, in the town of Shaunavon there were nine lumber yards. In the town of Indian Head there were 11 lumber yards. Why did these lumber yards go broke? Should we get into that debate? That's the debate we're into tonight on co-operatives by Her Majesty's loyal opposition.

I'll tell you why most of those lumber yards went broke. Most of them went broke simply because of economic reasons. I'll tell you that the economic stability of that part of the province, I think, is somewhat undermined by a plight in drought and certainly other factors, but the centralization of lumber yards in this province has been ongoing for the last 10 or 12 years.

Kyle, Eston, White Bear — all these towns used to have lumber yards. Kyle still has a co-op lumber yard. I think maybe Eston does too, but they used to have competition out in these areas. The competition is centralized, but the client still goes into the central points — Swift Current in that case, and that part of the province. I'm not sure if Beaver operates in places like Shaunavon or Assiniboia, but they still have the opportunity with the good highways the NDP developed — the faster transportation to travel into these larger centres for lumber.

I mean, the debate on the Tory housing program is non-existent. They don't have a housing program and we are debating whether the Tory housing program in fact affected the closure of those lumber yards. I'll tell you the housing program that did. It's the housing program of the former NDP government.

You can travel around Saskatchewan at will into virtually every small town in this province and you'll find government housing projects. Some of them . . . I don't know if Cabri was ever even completed, but it was in different construction stages. There was a basement on one lot; it was framed on another lot. On another lot they actually got to shingles. I don't know if those houses have ever been occupied by real live people who have jobs in Cabri.

I will say, though, that what that housing program did throughout Saskatchewan was . . . in fact initiated the end of a market in housing in most small communities. If you go into a town like Cabri, for example, and put in 10 housing units and compete with the market-place, how does a school teacher that's been there for 10 years, that bought his house or built it 10 years ago, how does he market it? He can't do it.

Foam Lake's a good example. And I know a friend of mine who was a school teacher in Foam Lake, he couldn't even sell his bicycle at a garage sale, let alone his house, because of the market and the fact that the NDP had gone in there over the course of 10 or 12 years and they had built houses in these small villages, some of which were never occupied.

I think of another example — Avonlea. And I realize this is somewhat off the co-operatives debate we were on earlier, but I'm just answering the debate we had here from the NDP. Avonlea. I drove through town the middle of winter when the drift was up against the house; I decided to stop and have a look because the front door was open. I thought maybe there was a family in trouble. It was just another NDP housing project. Nobody would even stop to close the door. Now that is the problem, and that's why lumber yards are closing throughout Saskatchewan. It isn't a Tory housing policy, because as I said earlier, it's virtually non-existent.

An Hon. Member: — On a point of order.

Mr. Chairman: — What is your point of order?

Mr. Koskie: — During the debate by my colleague, the member from Assiniboia-Gravelbourg, Mr. Chairman, you indicated that it had to be relevant to the estimates that we're dealing with. I have a lot of problems trying to relate what we're talking about relative to the estimates in Co-ops; what the former Tory member — once a Liberal and now a WCC — whether he is promoting Toryism, WCC, or a Liberal philosophy, I don't know. but what I would like to know, Mr. Chairman . . .

Mr. Chairman: — Order, order. I believe the member from Regina North West did stray slightly there. While he did bring it back to the debate, I would prefer that he stay on that debate, and it continues.

Mr. Sveinsson: — Well I appreciate, Mr. Chairman, we have to stay within the context of the debate, but I sat here and listened for a long time trying to find how closure of four lumber yards in the member's seat in Assiniboia had any effect on the overall management of co-operatives throughout the province. I can suggest, though, that a former policy of this government to construct co-op housing, and also housing of government-owned nature throughout Saskatchewan, did have a very adverse affection the market in rural Saskatchewan. This government was unable . . . I mean the former government under the NDP was unable to turn the corner on that issue.

The present government is having to deal with it and there are still a number of housing units throughout Saskatchewan that are either in an uncompleted form or in fact are vacant as a result of a poor rural economy, and also possibly a result of poor initiatives out in the rural parts of Saskatchewan that would offer the young people — the people between 18 and 40 years old — the opportunity to stay in their home towns and work.

But if the NDP want to get into resolution that affect the NDP we can certainly . . . Mr. Koskie, I certainly don't mind discussing and jumping into the debate. But here is one resolution . . .

Mr. Chairman: — Order, order. The Chair will not accept that you use other members' names; use their constituency.

(2015)

Mr. Sveinsson: — I apologise to the member from Quill Lakes. This actually has something to do with co-operatives, because in fact the resolution was based on using co-operative to deliver this initiative. And the NDP, you suggested legalizing prostitution in the province. And I asked the minister, and they suggested they'd do it through co-operations. And I ask the minister: have any applications been made to the Department of Co-operatives, and if so, have you turned these down? Or have you suggested to the NDP how they might approach this area, and if they do get back into government, do you think they will ever initiate this initiative?

Hon. Mr. Hardy: — Mr. Chairman, we have had no

request so far, at least from the NDP, in regards to setting up a co-operative of that nature. Certainly we would have terrible reluctance to even consider that in any form at all; it is not part of what we would believe in, that I believe the co-operative movement stands for nor should ever stand for. I believe the people of the co-operative movement are upstanding citizens of this province, and that they would not want us to in fact consider such a ridiculous type of a thing. So certainly, no we haven't, and we would have some problems even ever considering that type of an oddball situation.

Mr. Sveinson: —As ridiculous as it may sound, it comes from the NDP's own publication, March 12, 1986, *The Commonwealth*, for anybody that might be interested in researching it. And while it hasn't been implemented I realize in law, they are suggesting that they would use the co-operative movement to initiate this initiative.

But getting back to housing for just a moment. And of course that kind of housing would be required, and I suppose that is part and parcel of their solution for housing in rural Saskatchewan.

And if you refer to some of the Saskatchewan literature that is available, you go back to the teens and twenties when there were 10 and 12 and 15 lumber yards in some communities in Saskatchewan. They also had two or three brothels, and at that time, I suppose that was a solution — a housing solution where . . .

Mr. Chairman: — Order, order. I find it very difficult to relate this to the topic, and would the member please . . . (inaudible) . . .

Mr. Sveinson: —But the solution, sir, is certainly . . . at times you will find the solution, the seeds of the solution, at least, within the problem. And I think the seeds for this solution are lower interest rates; lower interest rates for the youth and the people throughout the province so that they can stay in their home towns — they can stay in Climax; they can stay in Assiniboia; they can stay in Kyle; they can stay in Carrot River. So they can stay there with the confidence that they cannot only own their own homes, they can buy their lumber at the co-op lumber yards or any competitor in the area.

A philosophy or a policy like that is necessary. It hasn't been offered by the government. It has been offered by the Western Canada Concept Party in the form of a program that would offer all home owners in the province zero percent interest on the first \$50,000.

Mr. Chairman: — Order, order, order. We're not talking about housing projects. We're talking about the co-operatives and co-operation, and please let's get back on the subject.

Mr. Sveinson: —I certainly want to co-operate, Mr. Chairman.

Getting away from housing for a few moments, if you won't allow me to expand on a program that would in fact offer an initiative that lumber yards and places that the member from Assiniboia pointed out have been closed, they could reopen under a program like that one.

If that's not of any interest to the Assembly, for a moment I would like to ask a few questions about the co-op college in Saskatoon. The first question I'd like to ask is simply: how much has that college cost us annually over the last three years and what are the curriculum offered in the co-op college in Saskatoon to the youth that are graduating from high schools or to those who decide to participate in that curriculum?

Hon. Mr. Hardy: — Mr. Chairman, I understand that there is no co-op college left now in Saskatoon, that it's been sold; and they're running in regional areas, not in Saskatoon.

Mr. Sveinson: —The question first is: what's the annual cost approximately, and does that cost overrun the budget? I see that in their budget they're allowed to overrun the budget and just call on the treasury, if in fact their budget is overrun.

Hon. Mr. Hardy: — Mr. Chairman, in answer to the hon. member's question, the co-op college has been sold; there isn't one any more; and that we don't fund it in any way.

Mr. Sveinson: —Thank you very much. So basically the government involvement in the co-op college financially is no longer in existence.

Hon. Mr. Hardy: — Correct.

Mr. Thompson: — Thank you, Mr. Chairman. I have a number of questions I want to ask the minister regarding the co-ops — the wild rice co-ops and the co-op fisheries and the northern stores.

However, I do want to make a few remarks, Mr. Chairman, if you will just allow me that leeway to stray a little bit here. When what was talked about and all the laughter about co-operatives and the former attorney general, they were all laughing about and joking; and I didn't see any members in the seats that weren't laughing when they talked about co-operatives and the movement that was on resolutions that do not even exist, Mr. Chairman. And I find it kind of interesting.

And the member from Regina North West, when he talked about if there was any research done, and I suggested he maybe should talk to his colleagues in Ottawa, the former minister of Defence and also a former cabinet minister in Alberta who did some research under this. And I can tell you that the New Democratic Party in no way has ever been involved in the type of debate that we have heard go on between the Conservative member from Regina North West, who calls himself a WCC member — and I tell you he is still a Conservative member, as there is no change.

An Hon. Member: — Point of order, Mr. Speaker. Point of order.

Mr. Chairman: — State your . . .

Mr. Sveinson: —I suggest that this debate — on a point of order — this debate is not to discuss my political leanings.

I can guarantee the member . . .

Mr. Chairman: — Order, order. The point of order is not well taken. This is a dispute between two members. The debate continues, but I would warn the member from Athabasca to get on to the item at hand and . . .

Mr. Thompson: — Thank you, Mr. Chairman. I just wanted to make it abundantly clear, Mr. Chairman, that we in the New Democratic Party do not take part in the type of debate that was going on today, and we do not agree with that debate. And I just want to . . . (inaudible interjection) . . .

If the member from Kindersley would quit hollering from his seat, Mr. Chairman, then I will continue on with my questioning. This is the type of situation that we have, and that's why we have the type of articles that we see in the paper that I am going to allude to a little later, Mr. Chairman.

But you know, if we're not going to have any order in the House and the members are going to continue to rant and rave, you may as well dissolve the House and call the election and let's get it over with, because I tell you, the citizens out in voter land want that.

But, Mr. Minister, I would like to put the question to the minister, but there's just no order in the House. You stated, Mr. Minister, that 97 per cent of Saskatchewan's commercial fish were sold through the co-operative movement. And I wonder if you could just elaborate on that, Mr. Minister, and indicate if that is a true fact or not.

Hon. Mr. Hardy: — Mr. Chairman, we just go by the figures we have. But in our figures, it shows approximately 90 per cent. If you heard 97, I'm sorry. It's 90 per cent of the commercial fishing in this province is done by co-operatives.

Mr. Thompson: — Mr. Chairman, and Mr. Minister, I'm just wondering when you talk about 90 per cent, as you indicate that are sold through the co-operative movement, do you consider the Freshwater Fish Marketing Corporation to be a co-operative?

Hon. Mr. Hardy: — Mr. Chairman, just to make sure that the hon. member has it. You know, the way I said it is: 90 per cent of the commercial fishing done in this province is done by co-operatives.

Mr. Thompson: — Well, there you have totally lost me now, Mr. Minister, because I am a commercial fisherman myself and I do produce fish. And in my area . . . I just don't understand what you mean by 90 per cent of the fish in the province that is produced commercially is produced by co-operatives or co-operative fishermen.

Hon. Mr. Hardy: — Well, the information . . . Mr. Chairman, the information that we have is 90 per cent of the commercial fish in this province is produced by fishing co-operatives or fished by fishing co-operatives. Now maybe that's debatable and we're not . . . We don't know for sure, but that's what we have as figures. Now certainly if the member has something different, we'll certainly entertain it.

Mr. Thompson: — Thank you, Mr. Minister. I just wanted to make that clear, that I did not consider the Freshwater Fish Marketing Corporation to be a co-op. It's a corporation and not a co-operative, and also it's outside of Saskatchewan.

I think that when we were talking about housing — how the retail outlets and the lumber yards in the province — I think one of the greatest fears that most of the co-op lumber yards have is the downturn in the industry of housing in Saskatchewan. And I know, Mr. Minister, that you were the former minister of Saskatchewan Housing, and you see that there are a lot of lumber yards, co-op lumber yards. And I deal with one on a fairly regular basis in Meadow Lake.

But I think from what I have been led to believe by them is that their major concern right now is the fact that they're not going to be able to get the type of materials that they need to retail in this province, because if we take the duty that has been proposed by the United States lumber industry, it's a threat to the lumber industry in this province. And that's where our co-operative lumber . . . (inaudible interjection) . . . you better believe it. That's where the co-operative lumber yards are getting their lumber from.

And I think that if this takes place, and you see that the Americans apply the 27 per cent duty, and as it indicates in the write-up right here, that lumber products . . . duty in United States could close Saskatchewan mills. And I think that is a great threat to our co-operative movement and especially the retail lumber yards who at this present time get a percentage of their lumber from outside of Saskatchewan. They bring in Alberta lumber and British Columbia lumber that they can't get, but they get a large proportion of it out of Saskatchewan.

And if this duty is put on and the lumber industry in this province happens to fold up because of the 20 per cent duty that is being imposed by the lumber industry in the United States, which, Mr. Minister, Weyerhaeuser Canada, who your government has dealt with and given a \$248 million, really an incentive to take over all our forest industry in this province — the biggest majority of our forest industry — and here they are in the United States trying to work out a duty with the American lumber industry that would put a 27 per cent duty on our lumber. And I think that's where the real threat is going to come, because you're going to see a lot of the sawmills in this province who are supplying the softwood, the spruce, and the hardwood that they produce for our retail outlets, that's going to be gone. And that's going to be a real problem.

(2030)

And I wonder, Mr. Minister . . . and I'm sure you were involved in the dealings with Weyerhaeuser when they were given the rights to the timber from PAPCO. They were also given the rights to all the timber that came out of the Big River sawmill. And that Big River sawmill is a very important contributor to our co-op retail outlets, lumber outlets, in the province. And I wonder, Mr. Minister, and being a part of cabinet, if you considered the fact that

when you give control to such a large corporation, that the effects is going to be felt right across this province.

And now that we have a housing program that has been proposed by our government, if we were to implement that, if we were to become the government and were to implement that; there is just no way that the lumber yards in this province could operate. We could have to start implementing lumber, because you can imagine what would happen to the housing industry if the citizens of this province were offered a \$7,000 grant to build their first-time home. Now that's going to take a lot of lumber, and you're going to say . . . and it's a three-year program, and I say that to the members, to that Minister of Finance, it's a three-year program for \$7,000 for first-time home owners, a grant.

Mr. Chairman: — Order. Order. Order! This doesn't pertain to any programs or anything that any political party might be doing. Certainly don't enter into this discussion. And let's get on with the estimates of Co-operation and Co-operative Development. Order. The debate continues.

An Hon. Member: — Point of order.

Mr. Chairman: — State your point of order.

Mr. Engel: — Mr. Chairman, my point of order is simply this: he was relating a program that will create housing starts, that will create the sale of co-op lumber . . .

Mr. Chairman: — I have . . . (inaudible interjection) . . . Order. Order. Order.

An Hon. Member: — Can't I state my point of order?

Mr. Chairman: — No. Order. Order. I have given the same privilege to each one in this House . . .

An Hon. Member: — No, you haven't.

Mr. Chairman: — I have exactly and . . . (inaudible interjection) . . . Order. And so the debate carries on, but sticking with the subject. The point of order is not debatable. I have stated . .

An Hon. Member: — Mr. Chairman, I haven't even stated my point of order yet. You don't listen to the whole point of order.

Mr. Chairman: — Order. You have stated enough that I understand where you're coming from . . . (inaudible interjection) . . . Order.

Mr. Thompson: — Thank you, Mr. Chairman. My question, Mr. Minister, is that when you were negotiating . . .

Mr. Chairman: — Order. There is just so much noise in this House, I'm surely sure that the minister cannot hear any question, the member from Athabasca cannot state his question. So let's get some order in here.

Mr. Thompson: — Thank you, Mr. Chairman. Mr. Minister, you as a cabinet minister when you were

negotiating the deal with Weyerhaeuser for Big River sawmill and the bush operations, were you aware at that time that the . . . what would happen with the 27 per cent duty on the lumber . . .

Mr. Chairman: — Order. Order. I have stated this tonight on two or three occasions already, that the Weyerhaeuser project has absolutely nothing to do with what we're talking about. so let's get . . . (inaudible interjection) . . . Order.

An Hon. Member: — It's the crux of the whole debate here tonight. You've got to allow it.

Mr. Chairman: — It is not the crux of debate, so let's get on with . . . (inaudible interjection) . . . Order. All right I will not stand for that any more. Now we either . . . If you're questioning my decision here, then I'll take the next step. Carry on with the debate.

Mr. Thompson: — Well, Mr. Chairman, I was only trying to make a point that the retail lumber yards, the biggest fear that they have today, Mr. Minister, is the supply of lumber that they're going to receive. And I might add, Mr. Chairman, the amount of lumber that they're going to need, because if you have a buoyant housing economy, then, Mr. Chairman, it's going to take a lot of lumber. And that's when I think that the lumber yards in this province want to make sure that they have an abundant supply without going outside the province, or outside of the country for any larger percentage of the material than they are right today. And that was the question that I was asking you, Mr. Minister, when you were negotiating these agreements. Do you not feel that the biggest fear now surrounding the retail co-operative lumber yards is the fact that they may not be able to get the supply of lumber that they will need out of the province?

Hon. Mr. Hardy: — Well, Mr. Chairman, to start with, and without going into the Weyerhaeuser deal or any of those, just to make it absolutely clear, the tariff, the countervailing tariffs that they're talking about is in the United States. What we'd probably end up here in Saskatchewan, or in Canada, is a surplus of large amounts.

I wasn't part of the negotiating team when they made the deal for the pulp- and paper-mill, and certainly you would have to talk to the Minister of Economic Development and Trade or whoever was on the negotiating team, or the minister for Sask Forest Products.

In regards to an area, whether or not Weyerhaeuser operated the Big River mill, and I believe they'll operate it for many, many years . . . In fact it's good utilization of the wood up there because as you know, and well know, that they're going to put the large saw logs through there and the pulp into the pulp-mill; what should have been done many, many years ago.

But even without them operating, you well know that there's a large number of small contractors out there who in fact have lobbied for many, many years, and under the former administration were not allowed to hardly cut any — basically no small contractors allowed in the bush because of Sask Forest Products and PAPCO and Simpson

Timber Company and MacMillan Bloedel. Because of those four companies out on the markets there, mainly PAPCO and Sask Forest Products, there was just no small contractors allowed out in the bush. So there is an opportunity there for many small contractors now under the agreement to operate. So there'll always be an abundant supply of wood in this province.

But the thing you've got to remember, the member's got to remember, is that co-operatives get basically all of their wood from their own mills in British Columbia and bring them into there. They buy very little, only as a fill-in, in the province of Saskatchewan. And as I said earlier, I negotiated with them earlier to try and get them in fact to buy Saskatchewan products. And they looked at it seriously, but felt they should continue to operate their mills out in B.C.

So just to keep it in its own perspective, no, I don't think whatever would happen in United States would have any effect on the amount of wood or the supply of wood for our retail yards here. In fact, they'd probably have an abundance and the price would drop substantially, and that's the concern that all the lumber industry in this province has. And certainly it would hurt the lumber yards in a different way, whether it be co-op or whatever. It would hurt them in a different way because the number of people working would probably be less if that happened. And that's the concern they would have; not the lack of supply of material. There'd be a . . .

Mr. Chairman: — Order, order, order. I think that we've covered that area, so let's get back on . . . (inaudible interjection) . . . Order! I think I have taken absolutely all I will take from members sitting in their seat, and if we have to get down to the naming, well then that is what will happen too. I'm not going to tolerate any more of it. And the reason I brought the minister to order was that that debate has gone far enough, and he's answered the question properly, and we'll get on with co-operatives.

Mr. Thompson: — Thank you, Mr. Chairman. I just want to close this off and then I'll get back to the other three items that I had, Mr. Minister. But what I was indicating, that the major concern was the supply of lumber . . .

Mr. Chairman: — Order. That is finished. We're not talking about that any more, the supply of lumber. We're talking about co-operatives, so let's get on to co-operatives. Get on to co-operatives.

An Hon. Member: — A point of order, Mr. Chairman.

Mr. Chairman: — The member from Regina North West, what's your point of order?

Mr. Sveinson: — On a point of order, Mr. Chairman. As long as the debate is relevant, I don't think you can dictate to the opposition where we can go with any debate.

Mr. Chairman: — Order.

Mr. Thompson: — On a point of personal privilege.

Mr. Chairman: — There is no point of order. When I have made my ruling, that is it. Order. I will direct the debate as

it relates to the subject that we're talking about. And when I determine that we're not on the subject, then I make my ruling. If that ruling is not accepted, then we can take the next step, as we have done in this House before.

Mr. Thompson: — Mr. Chairman, I wonder if I could have a ruling from you, sir. Can I no longer talk about the supply of lumber for the retail co-operative lumber yards in the province?

Mr. Chairman: — As long as it applies to the co-operatives, to the subject we're talking about, certainly; but if we can't relate it to co-operatives, if we're just talking in general terms of lumber in the North, no. If we can relate it to as they supply the lumber to the co-operatives, yes.

An Hon. Member: — Well yes, further to that point of order, Mr. Chairman, I would . . .

Mr. Chairman: — Order, order. The point of order is not debatable. The point of order is not debatable.

Mr. Thompson: — Thank you, Mr. Chairman. Mr. Chairman, I was trying to get off of the retail lumber yards, and the only remark that I wanted to make was that there is a concern in the retail co-operative lumber yards in the province that there could be a shortage of supply. And that's where I wanted to close off. I just wanted to make the remark to the minister that it is a concern. Not only is it a concern of all the co-operative lumber yards in the province, but it's also a concern of the general manager of Sask. Forest Company. Because, Mr. Chairman, that concern — and I say this to you, Mr. Minister — that concern has been expressed by your former general manager, and now the general manager when you were the minister, of Saskatchewan Forest Products: that the lumber industry could be in serious problems. And that is the way, Mr. Chairman, I wanted to close this off.

Mr. Minister, I now want to turn and I had indicated to you when I first started that if you could just indicate in what shape the wild rice co-operatives are in northern Saskatchewan.

Hon. Mr. Hardy: — My understanding, Mr. Chairman, is that in 1985 the wild rice co-ops didn't have a very good year and they're certainly hoping for a better years in '86. But it was a poor year last year and you're aware of all the situations why it was, because of the weather conditions, poor harvesting weather — I'm sure the member is very familiar with it all up there.

Mr. Thompson: — I wonder, Mr. Minister, if you could indicate whether the La Ronge co-op is funded any way, or is any part of the provincial co-operative scene.

Hon. Mr. Hardy: — My understanding is that the plant at La Ronge is under some funding from Tourism and Small Business. I don't know how much it is, but they are funded somewhat from them.

Mr. Thompson: — But it is a co-operative. Is that right, Mr. Minister?

Hon. Mr. Hardy: — That's correct, yes.

Mr. Thompson: — My next question then is: could you indicate how much money was spent on the advertisements that were put out by the La Ronge wild rice co-operative?

(2045)

Hon. Mr. Hardy: — I'm sorry, Mr. Chairman. I'd have no idea. We could get the information for you but we have no idea how much they would spent. They're a local co-operative.

Mr. Thompson: — Okay. Mr. Minister, I've seen a number of ads put out by one Kas Parada and, I believe, a provincial agency, advertising. It's on quite regular, and I don't think the member should look surprised that this is taking place. But I wonder, as you indicated you would provide me with the amount of dollars that were spent on that advertisement, it indicates the number of individuals that are working and the jobs that have been created. It's been on radio and television quite a bit. And as long as you'll provide me with those figures, then that will be fine.

Hon. Mr. Hardy: — Mr. Chairman, we'll try and get that from the wild rice co-op at La Ronge. Certainly, we don't have it and we'll ask them for it. Whether they'll give it to us or not, they're, as you know, a local co-operative and they certainly make their own decision there, but we'll certainly try and get it for you.

Mr. Thompson: — Okay. Thank you, Mr. Minister. The last thing I wanted to touch on was the northern stores. I know that, over the years, that there have been some problems with northern stores. I believe there was a major fire in Pinehouse and that store was destroyed. I wonder if you could indicate whether that store is back in place and if it's operating, you know, on a fairly good footing at this time.

Hon. Mr. Hardy: — My understanding is they're going to have an official opening on the 27th of June. Now whether it's operating right now or just getting ready to open, I don't know. But they're having an official opening at Pinehouse on the 27th of June of the new store.

Mr. Thompson: — Okay. Thank you very much, Mr. Minister. Just one closing question and a comment. I wonder if you could indicate how the other stores are doing. I know that at Wollaston Post there is a co-op store, and I believe some over on the east side. If you could just indicate how those co-operatives are operating and if they're financial fairly secure.

Hon. Mr. Hardy: — I understand we've had ongoing discussions with Federated, and they do not see any problems with the ongoing stores that's up there. They think they're operating fairly well. So that's what we get from Federated, and we've discussed it with them not too long ago.

Mr. Tchorzewski: — Thank you, Mr. Chairman. Mr. Minister, there has begun in the city of Regina a service fee co-op which is an outlet for groceries, an operation that works very well. I happen to be a member of it. And

I'm wondering, Mr. Minister: has the department been involved in the establishment of this co-op in the developmental sense, and has it provided any developmental funding for this co-op?

Hon. Mr. Hardy: — I understand, in answer to the member's question, the department has been involved all along with the development of the co-op, the service fee co-op. The Department of Co-operatives hasn't funded it in any way directly, but they are subject to any other provincial types of funding that's out there that they may qualify for. And certainly whatever is available to the other sector of the province, or business sector, they can also draw on it. They got some federal funding, I understand, also.

Mr. Tchorzewski: — Yes, I'm aware they received some federal funding. Would they be eligible for any of the funding that's provided under the subvote 4 here, grants for co-operative development?

Hon. Mr. Hardy: — I understand, no.

Mr. Tchorzewski: — Could you elaborate further, Mr. Minister, why not? Maybe it would even be more helpful if you explained how one becomes eligible for grants under the co-operative development program.

Hon. Mr. Hardy: — To give you an example, certainly the one here in Regina could say that they . . . it's a French type of immersion, a program where we help fund it to \$5,000, whatever we fund. That's basically how the Department of Co-operatives funds any of the grant that's out there. We don't fund retail outlets, and we don't fund basically . . . well we don't anything else other than where it's a training type program, and sort of special cases. And those two or three that we do fund are certainly the . . . at the University of Saskatchewan we fund the one, and the two here in Regina.

Mr. Tchorzewski: — Did you expend the full \$152,500 in 1985-86?

Hon. Mr. Hardy: — I give it to the member from Regina Centre, but it was \$129,500 that was spent in '84-85, during the 1985 year.

Mr. Tchorzewski: — And you say all that money went— and I can recall the conversation the other day — all the money went to the University of Regina, and University of Saskatchewan. Is that correct? Or am I not quite correct?

Hon. Mr. Hardy: — It went to the Centre for Co-operative Studies in the University of Saskatchewan in Saskatoon, and Le Conseil here in Regina Centre for \$5,000, and cooperative youth in Saskatoon for \$5,000.

Mr. Tchorzewski: — Mr. Minister, your department, I believe, does some advertising. Can you tell me how much your department has spent on advertising in 1985-86, and what your budget is for 1986-87?

Hon. Mr. Hardy: — In round figures, in '85-86 it was about \$155,000; and for '86-87, we budgeted \$115,000.

Mr. Tchorzewski: — Mr. Minister, on a department

budget of \$3 million, \$155,000 is a pretty hefty budget for advertising.

Could I ask you . . . In the papers recently there has been, and I want to preambule my question with the comment on answers which government ministers have been giving over the past several weeks when asked about advertising, is that the present government only advertises to provide information about programs for people and benefits that are available to people. But we've seen this ad running, and I realize that it's shared by the Federated Co-op and by the federal government and by the provincial government, but obviously a portion of that must be paid by the provincial government.

Does your department contribute to the payment of these ads on the co-op upgrader, which really provides no information about programs or anything else? It's simply an ad that says that the co-op upgrader is going to be built. Is the Department of Co-operatives and Co-operative Development paying for some of the . . . (inaudible interjection) . . . And now that the member from Regina Victoria has finished his speech from his chair, maybe I can continue, Mr. Chairman. Has the Department of Co-operation and Co-operative Development paid for any portion of this ad, or is it the Department of Tourism and Small Business?

Hon. Mr. Hardy: — My understanding is, Mr. Chairman, that on the first part of your question, what was this money spent on in advertising, basically it was resource material for those who want to know about the co-operative movement or who want to become part or organize a co-op. And there's a lot of material that goes out and it's basically for requests.

The only advertisement that we did in regards to the upgrader was a congratulatory advertising for starting up an upgrader here in the province of Saskatchewan. So that's the only one the Department of Co-ops had anything to do with.

Mr. Tchorzewski: — And how much did that congratulatory advertisement cost you?

Hon. Mr. Hardy: — I understand it was somewhere in the neighbourhood between 12 and \$15,000 for the advertisement.

Mr. Tchorzewski: — And that was obviously not 1985 and 1986. Was it done in the last fiscal year or in the present fiscal year?

Hon. Mr. Hardy: — The last fiscal year.

Mr. Tchorzewski: — Even though it was done in the last fiscal year and your estimates show your final figures, you still only estimate between 12 and 15,000.

But never mind that, that's still . . . For \$12,000 or \$15,000, I'm sure the Department of Co-ops could have done something to assist some co-operative who's trying to get off the ground or something, rather than putting in a congratulatory ad. But that's a decision of you, Mr. Minister; it's a decision of your government.

I think it's not a particularly good expenditure of money. It's not going to create jobs. The refinery will create jobs but your ad . . . your 12 or \$15,000 advertising bill will not create jobs, except maybe the advertising firm that may have done it for you.

So I want to ask you the question: which advertising agency has your department utilized —or agencies? If there's more than one, I would like them all.

Hon. Mr. Hardy: — Mr. Chairman, I understand all our advertising is done by The Marketing Den in Saskatoon.

Mr. Tchorzewski: — Did you say The Marketing Den? And all of the work by the department from the point of view of advertising is done by that agency? Thank you very much, Mr. Minister.

The grants for co-operative development again this year — same amount, \$152,500 — are they designated for the same programs as you funded last year, or do you have some money for some potentially new, innovative ideas?

Hon. Mr. Hardy: — In the grant program, they're for the same ones, yes.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I have a couple of questions, just to get a few facts on the record. Firstly, with respect to securities and the co-op securities board, could you indicate in the year ended March 31, 1986, how many security issues were approved and what was the total face value of the securities approved?

Hon. Mr. Hardy: — Would you ask that question again? I missed part of the last question. Sorry.

Hon. Mr. Blakeney: — During the year ended March 31, 1986, could you tell me how many security issues were approved by the co-op securities board, and what was the total value of the securities approved?

(2100)

Hon. Mr. Hardy: — Mr. Chairman, there were nine; and it was for \$102,593,200.

Hon. Mr. Blakeney: — Mr. Chairman, Mr. Minister, could you give me the top three or four issues which were approved.

Hon. Mr. Hardy: — Well, I can give them all or whatever you like. Federated Co-operatives Limited was \$100 million; Weyburn Co-op was \$2 million; Whitewood was \$200,000; and the rest were smaller amounts. But I can give them all to you, if you like.

Hon. Mr. Blakeney: — Thank you very much. The \$100 million Federated one made up the bulk of the approvals.

I turn now to The Co-operative Guarantee Act and I note that that Act has not been used very much. I noted that the approvals in the years of the 1970s — typical years were 10, 19, 20, 12, 12, 6, 3, 4; in the 1982 it was 2; in 1983 it was zero; in 1984 it was zero; in 1985 it was zero. Why are you not dealing with any applications for guarantees

under The Co-operative Guarantee Act?

Hon. Mr. Hardy: — Well, Mr. Chairman, we haven't had any requests, but two are pending now.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, did you, in the period ended March 31, 1986 . . . Was the answer — was the number still zero for the year ended March 31, 1986? For March 31, '83 it was zero; for '84 it was zero; for '85 it was zero. If we continue that to '86, is it still zero? And now I'm talking about approvals.

Hon. Mr. Hardy: — Mr. Chairman, yes, till March 31, 1986. The two are pending at that since that time.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, in an earlier answer, you spoke of the co-op upgrader, and spoke of the participation of the government in the upgrader project. Could you tell the committee whether or not any documents have been signed with the federal government in furtherance of this upgrader project, following the signing of a memorandum of understanding, which must be close to a year ago now.

Hon. Mr. Hardy: — Mr. Chairman, I can't answer on behalf of Federated Co-op, nor do I know if an agreement has been signed with the federal government, a further agreement has been signed. So I can't answer that one.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I'm not asking whether Federated signed anything. I'm asking whether the Government of Saskatchewan signed anything with the federal government after the memorandum of understanding which was signed some time last summer, by my recollection. Certainly before last fall. And I'm simply asking whether or not any other documents have been signed. Do we have a deal on the financing of the co-op upgrader?

Hon. Mr. Hardy: — Well, Mr. Chairman, it doesn't really fall under the Department of Co-ops. It has been handled by the Department of Economic Development and Trade, and Department of Energy and Mines, and I believe their estimates are coming up. And you can probably ask them at that time, and I'm sure they can give you an answer.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. I'm less sanguine than you are about whether they'll give us an answer. I'm sure we'll hear a lot of words, but whether or not we'll hear an answer is another matter.

Do I understand, then, Mr. Minister, that you are advising me that the financing of the co-op upgrader is not being handled by the Department of Co-ops, but rather by the Department of Economic Development? They are doing the negotiating with the federal government with respect to the co-op upgrader. Did I understand you to say that?

Hon. Mr. Hardy: — Well, I can tell the member that the Department of Co-ops haven't been doing the negotiating for the agreement with the federal government and the Federated Co-ops and the Government of Saskatchewan.

And certainly either the Premier or my colleagues in cabinet, the Minister of Economic Development and Trade, or Minister of Energy and Mines, and certainly I

assume the Minister of Finance, will all be aware of it. But I don't know where it is. And I'm sure if you ask them, they will give you, as I said earlier, an answer.

Hon. Mr. Blakeney: — I think I'm not putting my question very well, Mr. Minister. I am asking you whether, as Minister of Co-ops, you know which of your colleagues is looking after this — the negotiations for this co-operative project. I'm simply asking you. I'm not going to pursue what the nature of the negotiations is. I'm just trying to find out whether the Minister of Co-ops has troubled to find out which of his colleagues is handling the negotiations.

Hon. Mr. Hardy: — Well, Mr. Chairman, I'm aware of who's handling it. I'm just simply telling the member that there's a whole . . .

An Hon. Member: — Who's not handling it.

Hon. Mr. Hardy: — Yes, who's not handling it. Certainly not the Department of Co-ops; we're not involved directly in the negotiations. We are there, certainly would like to see it go, and we're certainly working to promote it. And any way we can help them as a department . . . As you're aware, it's an advisory type of department.

And the upgraders are very, very unique, and certainly the first one in Canada, and we're very proud of it. And certainly, as the Department of Co-ops, being an agency that has promoted co-operatives all over the province, I'm sure, as you would be aware of and we are, you know, it's very, very positive for the province. And the Department of Economic Development and Trade has been the lead agency and will continue to be so.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. I take it you're proud enough of it to know which minister is handling the negotiations and you're telling me that it's the Minister of Economic Development. Did I understand that?

Hon. Mr. Hardy: — That's correct.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. And I'll ask you — and I think I know your comment is that you prefer that I ask the Minister of Economic Development — do you wish to give this House any additional information on the progress of the co-op upgrader in so far as legal arrangements are concerned between the province of Saskatchewan, the Government of Canada, and the Federated Co-ops or their subsidiary, Consumers' Co-operative Refineries Ltd.?

Hon. Mr. Hardy: — No, Mr. Chairman. I'm sure that, as I said earlier, he can speak to the lead agency, which is . . . the minister responsible for the lead agency, and that is certainly Economic Development and Trade. He could also speak to Federated Co-op. It's confidential, I'm sure, to this point. When it's all finalized or at that time, I'm sure that the public will be aware of it.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, as you will be aware, substantial funds have been committed for, and some are being spent, at least on engineering if I can believe the ads sponsored by your

department . . . (inaudible interjection) . . . Are we in a debate with the member for Kindersley or am I directing a question to the minister? And I'd be happy to have a ruling from the Chair.

Mr. Chairman: — I would ask the Leader of the Opposition to address his question to the minister and I'm sure he will receive an answer.

Hon. Mr. Blakeney: — Thank you. The minister in question, Mr. Chairman, I'm sure you were referring to, is the Minister of Co-ops and not several of the other ministers who are clustered opposite, chatting away, but not giving information. I'm asking the Minister of Co-ops whether he will give the House the information as to who is putting up the money for the preliminary expenditures now being incurred for the planning of the New Grade co-operative upgrader, if in fact such expenses are being incurred. Do you know who is putting up that money?

Hon. Mr. Hardy: — Mr. Chairman, I'm sure that's an answer for the Department of Economic Development and Trade to handle. If he'd direct that question to the minister at that time, I think that would be more appropriate.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. I suspected that the Department of Co-ops wouldn't be very well informed on this largest co-operative endeavour that we've had in the province for some years. And I will direct them to one of your colleagues who may well be informed . . . (inaudible interjection) . . .

I'm always entertained by the interjections of the member for Moosomin. he's usually very entertaining and it's a great pity that he doesn't give the committee the benefit of his interjections into a microphone so that we could all enjoy them.

Mr. Minister, I want to turn now to a subject we have already touched upon, and that is the deposit insurance corporation. In just a few figures, can you tell me what the state of the deposit insurance corporation is, in the sense of roughly what is the total number of deposits it has insured? And can you tell me what funds are deposited with the deposit insurance corporation, the former mutual aid board, as a basis for meeting those obligations?

Hon. Mr. Hardy: — I believe it's confidential, the information that the deposit insurance guarantee board has in regards to that. But there is sufficient funds there, they are properly funded, and basically that's about the best answer I can give you.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I don't want to pursue this, but why in Heaven's name would the total liability of the deposit insurance corporation be confidential? And why would the deposits with the deposit insurance corporation, or the mutual aid board as it used to be, why would that be confidential? It seemed to me that this material was regularly made public, although it may not have been. It may have come to my attention from material which wasn't public material. I could be in error there. But I would ask the minister to consider whether he thinks it should be confidential. I won't press the point if he insists. I'd simply like to know (a) whether he thinks it should be

confidential; and (b) what are the reasons if he does.

Hon. Mr. Hardy: — I'll certainly give it to you in round figures if that would . . . there were six credit unions, exposure was approximately \$22 million, and the reserve of the guarantee and the credit unions is about \$400 million.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I didn't direct the right question to you, or I didn't make myself clear. I wasn't asking what the exposure was with respect to credit unions which may be at risk, I was just asking what the total exposure is. As I understand, the deposit insurance corporation, in effect, guarantees the deposits which are on deposit with Saskatchewan credit unions, so that will be its total exposure. Or alternatively, it guarantees them up to a given level. I believe it to be the former and not the latter. I believe that — and I'm not always sure whether or not all deposits are guaranteed, whether all term deposits are guaranteed and whether share balances are guaranteed.

(2115)

I believe them all to be. I believe them — the so-called share accounts and the so-called personal chequing accounts and their maximizers and their plan 24s, and the rest of it; and also their term deposits — I believe them all to be guaranteed. I ask you whether that is true, and then what is the total exposure. And understand, I'm not asking what is likely to be lost. That's not the question I'm asking.

In the same way that the federal deposit insurance corporation guarantees all the bank and trust company deposits up to \$60,000 in Canada, the gross of that would be their total exposure. Can you tell me what kind of money we're talking about.

That is, you don't like the word "exposure," tell me the total deposits which are guaranteed, if you prefer that phrasing, and then, if you can, tell me what sums are on deposit as a means of meeting any claims that may be forthcoming.

Hon. Mr. Hardy: — We don't have it with us — the total number of deposits. We'll get it and send it to you, but we don't have it with us tonight. but we'll certainly get it and send it over to you.

Mr. Koskie: — Thank you, Mr. Chairman. I just want to ask a few questions to the minister relative to the '84-85 report. And I want to get some of the details for the current year, or the past year, that is, the '85-86.

I notice in the last report that you issued for the department, there were some 55 co-operatives were incorporated throughout the province in '84-85. And you may have indicated this, but I'm wondering how many were open during the past year — the '85-86 — up until March. Can you give me that figure? . . . (inaudible interjection) . . . No, just . . . like in your report you indicate that in the '84-85 year, the annual report that you put forward, you say that during the year 55 co-operatives were incorporated throughout the province. And then

you go on and say in different areas.

And so what I'm asking for is: during the past year, that is the '85-86, to March 31 of '86, how many co-operatives were open during that period of time if you have that?

Hon. Mr. Hardy: — Mr. Chairman, I'll give it to the member. I gave it to the member from Regina Centre here last week. It's 45 for '85 - 86; it's 55 for '84 - 85; 35 for '83 - 84; 41 for '82 - 83; 38 for '81 - 82; 34 for '80 - 81; 28 for '79 - 80; and 23 for '78 - 79. That's as far as I go back.

Mr. Koskie: — And during the year, the past year, that is '85 - 86, were there any closures of co-ops throughout the province?

If you have the number of openings, I'm wondering whether you have the total number of closures in '85 - 86.

Hon. Mr. Hardy: — Mr. Chairman, from April 1, '85 to March 31, '86, there was 12 dissolutions.

Mr. Koskie: — And would you be able to provide a list of those closures?

Hon. Mr. Hardy: — Mr. Chairman, the 12 were the Key Lake grazing co-operative ... Keg Lake, I'm sorry ... (inaudible interjection) ... Keg Lake. The Candle Lake Co-operative Volunteer Fire Department Limited, the Saskatchewan Co-operative Court Reporters Association, the Job Action Co-operative Limited, Mother Hubbard's Child Care Co-operative Limited, the Eastern Saskatchewan Community Media Co-operative, the Big Shell Recreational Area Co-operative Limited, the Livelong Community Hall co-operative Association, the Claydon Co-operative Hall Limited, the Shaunavon Bowling Co-operative, the Studio Co-operative Limited — and that's the 12.

Mr. Koskie: — With the closures of those 12, how many persons lost employment as a result of the closures of those?

Hon. Mr. Hardy: — Mr. Chairman, one part-time employee is all that was actually laid off during the closures.

Mr. Koskie: — Out of all 12? And were they active prior . . . You're saying only one employee for 12 individual co-operatives?

Hon. Mr. Hardy: — Well, Mr. Chairman, most of them are either grazing co-operatives or recreation co-operatives. And some of them never got off the ground; they incorporated as a co-operative and never became active, so then they had a dissolution. Basically there's only one half . . . one part-time employee that was laid off because of the 12 closures. A lot of them were recreation type of co-operatives.

Mr. Koskie: — In respect to the openings, you say in 1985 - 86 there were 45. Do you have any idea as to . . . out of those 45 that were developed, the total investment in respect to those openings? Do you have the cumulative investment for those 45 that opened last year? Do you know how much was invested in the opening of the 45

that you indicated opened in 1985 - 86.

Hon. Mr. Hardy: — Mr. Chairman, I'm not sure— invested by who? The members or by the department?

Mr. Koskie: — You indicated that there were 45 new co-operatives were incorporated. And so in respect to those 45 incorporations, what I'm asking you: do you have any knowledge of the total investment by the 45?

Hon. Mr. Hardy: — Mr. Chairman, we don't have any idea how much investment the total value of investment would be in the 45 co-operatives.

Mr. Koskie: — Well, do you know how much employment, how many people were employed by the incorporation of the 45 during the year '85 -86?

Hon. Mr. Hardy: — Mr. Chairman, just to give him an idea, we don't know how many employees but, you know, the incorporations, there was 13 under agriculture and there was one under forestry under tree planting. So there'd certainly be a number of employees. Under the agriculture one there was five feeder co-operatives, and I don't know how many employees there would be involved in that. There were six soil conservation co-operatives, one farm, and one machinery co-operative. There was one grain storage co-operative, and one bus co-operative, one television co-operative. Under the wholesale-retail — and there'd certainly be a good number of employees — one agriculture supplier, two general retailers, one farmers' market, and three northern native handicraft co-operatives. Under the real estate and business there were seven — one housing, one insurance, three employment, and two just other miscellaneous ones.

Mr. Koskie: — I look under item 1 in the Estimates, administrative services. The first thing that I note is that there is an increase in the number of personnel from 12.1 to 13.1. And what I would ask you, Mr. Minister, are all the 13.1 positions filled? Are there any vacancies in respect to that, and can you indicate what position is being created for the increase from the previous year.

Hon. Mr. Hardy: — There are no vacancies and the one position that we moved over was from the secretary of the security board over to the guarantee board, and they handle both anyway.

Mr. Koskie: — In respect to the development of co-ops in the co-op movement throughout the province, I'm wondering whether you are aware of any allegations in respect to co-ops versus private family, or private small business, whether any advantages that co-ops may have over small business. Are you aware of any particular concern by the small-business community vis-a-vis the promotion of more co-operative businesses throughout Saskatchewan? Have any concerns been raised with you, be it tax advantages or any other advantages that the co-ops may have over the private businesses.

Hon. Mr. Hardy: — Well, Mr. Chairman, co-ops are treated the same as everybody else, and they don't have a tax advantage because they send it back to their shareholders who, in fact, pay taxes. So of the 566,000

shareholders in this province, if there is a profit, it goes back — part of it goes back either in equity or direct refund and they pay the tax on it. So they don't have any advantage.

Mr. Koskie: — Well, I hope you're sure of that because that's not the perception that small business have, that they don't have the equal advantage in respect to competing with consumer co-operatives.

I note in your report here that in the '84 - 85, and that's the only one we have, you indicate that co-operatives have a vital role in economic development of northern Saskatchewan. And branch staff help northern residents identify new development opportunities and provide information support necessary to undertake ventures such as fishing, wild rice, and child care co-operatives, and so on.

And you go on to indicate that staff assisted in the writing of 45 grant applications. And it says, grant applications worth more than \$1 million creating 14 permanent jobs and 30 temporary jobs.

I guess my question is what . . . where did the million dollars come from, vis-a-vis this report for the making of the grants? Because it indicates here, as I say, that the staff . . . it says the staff assisted in writing of 45 grant applications worth more than \$1 million, creating 14 permanent jobs and 30 temporary. I guess my question is, during the past year, have the co-operatives been active in northern Saskatchewan attempting to create opportunities? And, as you indicate in this report, there were grants applications . . . assisted in writing of 45 grant applications. Has that been carried on, and where is the grant money available from?

(2130)

Hon. Mr. Hardy: — Yes, it's continuing on. And basically the grant money came from the federal sources, and we just helped them fill out the application forms, access to them, work with them to get whatever grants available. Or if there's any provincial grants that they would fit into, we help with them, too.

Mr. Koskie: — Well, have you got any statistics similar to '84 - 85 as to what assistance you were able to obtain for the northern people through the federal grants?

You indicate in your '84 - 85, certainly that there were 45 grant applications, a million bucks, and 14 permanent jobs and 30 temporary jobs. Have you any indication as to the results of this program during '85 - 86?

Hon. Mr. Hardy: — No, Mr. Chairman, it hasn't been compiled yet. We don't have it.

Mr. Koskie: — Well are you going to . . . is it possible to provide us with that information, because I want to see whether the magnitude of the assistance that is going into northern Saskatchewan . . . I'm surprised that the report ends March 31st. I would have thought that you would have been monitoring the applications on a monthly basis and that that information could, in fact, be provided. I'm rather surprised that you can't give any information. If

you can't tonight, will you, in fact, make that information available to us?

Hon. Mr. Hardy: — Well, Mr. Chairman, we can't tonight. I'm being told that we're pulling — it's being compiled together now, and we will have it available in a while and certainly will be as we have to compile it together for the '85 - 86 report. But it isn't all compiled together yet. When we get it compiled together, we'd have no problem sending it to him.

Mr. Koskie: — I'm just looking at generally what has been happening to the Department of Co-operation and Co-operative Development, and I guess what one can see over the recent years and certainly since you took office, Mr. Minister, is that the number of personnel has decreased significantly. Support staff — you find that decreasing substantially over the last four years of your administration. We find also that a very substantial decrease in the budget this year again from 3,074,150 to 2,959,720. I can hardly say this represents a very strong commitment by your department or by you yourself. Either you're incapable of going to treasury board and fighting on behalf of the co-op movement, or indeed, the other observation that I would make is that your government is less than eager to assist the co-op movement.

The other thing that I notice here is that there's a drift in the concentration of the allocation of the budget. The allocation of the budget is into the administrative services, item 1, and out of the other subvotes. You notice in communication and development services, that has been reduced. If you look in the registration and inspections, that's cut back. And the grants remain the same.

But in the administrative services, you have an increase in personnel and also you have a significant increase in the total expenditure. In fact, if you look at the budget for the Department of Co-operation and Co-operative Development, you'll find that one-quarter of the total budget is in administration. That's about the proportion.

And apparently, yes, this is the new efficient government which puts money available for the development of the economy and development of co-operatives. But here it's tied up in . . . one-quarter of the total budget is tied up in administration, and 738 million out of 2.9. And I think that's an indication of what real support that the government is giving to the co-op movement through your ministry.

And I just wonder what justification the minister has for the significant increase in the administrative services expenditures and a cut-back in the other areas.

Hon. Mr. Hardy: — Well, Mr. Chairman, in answer to the hon. member's question, the reason the administration services went up by one is, as I mentioned earlier, that secretary was moved from one position to the other, which ended up in administrative services. The one thing that you have to make absolutely clear is that the field people that's out there in contact with the public has not changed. And they are in fact the same number. So the services is the same as, or even better than, it was before.

And the number of people that you have internally, working with in the office, does not state the type of service that you're giving to the community out there.

We feel very strongly that the type of services need out there is the type of services that contact person within the regional areas who can contact the local people who want to set up the small co-op, who go right to their town, or their village, or their hamlet, or their farm, wherever it may be, to set up that type of a co-operative. So the regional people are placed totally. The only reduction was in office staff, and so therefore — and they've been vacancies that haven't been used. So basically it's running very smoothly, running very well, in fact.

And I think some of the things that's happened within the Department of Co-operatives — the new Co-op Act, the new Credit Union Act, the new upgrader, and certainly the new fertilizer plant. Those are very, very important things that's happening within the co-operative movement in themselves, plus 45 new co-ops being — last year, I think that's important, and I see no problem at all where the Department of Co-operatives go.

And I think it's a very good department. It's certainly very streamlined. It's working very well, and we have good people out in the field who are working well with the public to, in fact, make sure the co-operative movement continues.

Mr. Koskie: — Well I think you'll have to agree that since 1982 - 83 the staff — there has been a total of about 20 positions that have been deleted from the department.

And I don't think you can deny that financial commitment to the Department of Co-operatives certainly has decreased. And again this year there has been a very substantial decrease in the amount of expenditure — from over 3 million to 2.9 million. And so, I think that what is fairly evident from the statistics is that overall there's a fairly significant cut-back in the funding towards the department.

There was, I think, the Co-op college — and this has been mentioned before — received \$100,000 grant from the department in 1980 and 1981. And I'm wondering; you may have alluded to this, but why, in fact, have you discontinued the \$100,000 grant to the Co-op college? Certainly I thought it was doing excellent work in so far as the promotion of the co-op movement, and I note that you saw fit to cut back that \$100,000 grant. What was the reason for it?

Hon. Mr. Hardy: — Well, Mr. Chairman, I mentioned earlier to, I think the member from Regina North West, that the Co-op college has been sold by the co-operatives limited. We do fund the co-operative studies in the University of Saskatchewan in Saskatoon which wasn't funded before. It's a new type of a program, and it amounts to \$119,000 — not \$100,000. The main programs change from time to time, and certainly if that's their wish, that's what we'll be doing. And if they wish later on to change it and have a different type of program, sure, we'll take a look at it. But although we don't fund \$100,000 to Co-op college, we fund \$119,000 into the University of Saskatchewan for co-operative studies, so I

think, either way, they're important they're still being funded.

Mr. Koskie: — Do you have anyone in the department that's on a personal service contract, other than through the public service, where you have a contract; you've hired someone by contract rather than through the public service?

Hon. Mr. Hardy: — Mr. Chairman, no, we don't have.

Item 1 agreed to.

Item 2

Mr. Koskie: — There are cut-backs in positions: 31.1 to 28.1. Could you indicate what positions were deleted in communications and development?

Hon. Mr. Hardy: — Mr. Chairman, I understand that it will be three positions by attrition. As they become vacant, they will be . . . You know, that's how we'll pick them up. There won't be anybody laid off, and they'll all be working through. So it will be just through attrition through vacancies.

Mr. Koskie: — Well, are there three positions there vacant? Is that what you're saying? Or do you have 31 now and you're waiting for attrition to take place? What do you have? You're budgeting, apparently, for 28.1, which is a cut-back of three. Do you have three positions vacant or three less positions and, if so, what are they?

Hon. Mr. Hardy: — Mr. Chairman, I was saying they will be through attrition. There's two retirements coming up, and there's one vacancy now. So there will be nobody laid off. We'll just, as they come up through retirement when they normally retire, we will retain that position.

Mr. Koskie: — What positions are they? The two retirements — what positions are they? And what about the one that is vacant? Can you give me the positions?

Hon. Mr. Hardy: — One is the co-op management adviser in Saskatoon, and the other two are secretarial positions.

Mr. Koskie: — Co-op adviser in Saskatoon. What were the duties that was being carried out by this particular person, and are you able to discontinue the use of such adviser?

Hon. Mr. Hardy: — Mr. Chairman, within the department we'll be transferring another position over into that branch. But that's the position that will end up being utilized.

Mr. Koskie: — Within the department, you're going to transfer over another position. Would you indicate from where you're going to transfer it — and it's going to be the equivalent position?

Hon. Mr. Hardy: — Mr. Chairman, we're going to maintain the position, and it's going to be the position that works with the public. Whether it be exactly the same or not, I don't know, and it depends what position we

transfer over there.

(2145)

Mr. Koskie: — Surely, in drawing up your estimate, you know what you're going to do. I mean, here is a position of an adviser in Saskatoon; you said it will be replaced. And you must know where it's going to be coming from. Is it coming from one of the other subvotes? Are you taking one from administration, are you taking one from registry and inspection services, or are you bringing in someone else? Or are you going to leave it vacant?

Hon. Mr. Hardy: — My understanding, Mr. Chairman: there's one from administration going into that function.

Mr. Koskie: — And what is the position that it holds in administration at the present time that will be transferred over down into communication and development?

Hon. Mr. Hardy: — Well, Mr. Chairman, the employee probably wouldn't know, and we'd like to work with the employees. We don't want any problems internally. It may be one of two or three different positions. We'd like to work with them and see which one would best fit into it, which one would like it. We just wouldn't impose it upon them.

Mr. Koskie: — It seems that you're indicating a retiring. Is that early retirement, forced in retirement, or a long service, normal retirement?

Hon. Mr. Hardy: — We don't have forced retirement, Mr. Chairman. It's regular retirement, Mr. Chairman.

Mr. Koskie: — Well certainly that'll be good news to the civil service of Saskatchewan after the abuse they have taken from your government since forming the government. And I want to say that you'll never be forgiven for that abuse that you laid on the civil service.

I wonder, in respect . . . I think, Mr. Chairman, we can ask the member from Meadow Lake either to enter the debate and ask — or either I have the floor, which I do. What he's doing is standing there chirping along with the member from Moosomin. That's all he is. He's sounding like a squirrel with a dog underneath. He keeps chirping like a squirrel.

But I say, in respect to the registration and inspection services, you have also a decrease again of another person. And I wonder if the minister could indicate what position is being deleted in item no. 3.

Hon. Mr. Hardy: — I gave the answer about four times, Mr. Chairman. That's a transfer of that secretary up to administration.,

Item 2 agreed to.

Item 3 agreed to.

Item 4

Mr. Koskie: — Grants for co-operative development — could you give a list of the particular grants that are given

under item no. 4? Could you provide that list? Because I noticed that the amount budgeted is exactly the same. And are you, in fact, proceeding to use the full amount? And what is the list of the organizations?

Hon. Mr. Hardy: — Mr. Chairman, in regards to the question, the centre for co-operative studies in Saskatoon at the University of Saskatchewan is budgeted. The reason that we're budgeting \$152,000 — it's on a formula and it could be more than \$119,000, so we're budgeted to make sure that we have sufficient there to cover it.

Mr. Koskie: — What did you use last year?

Hon. Mr. Hardy: — The same formula. The appropriate formula, and they got \$119,500.

Mr. Koskie: — The formula the same as last year. What would change it so that you wouldn't be able to put down straight \$119,000? What in fact would increase the amount that you'd grant to the university?

Hon. Mr. Hardy: — It's based on — two things could do it — inflation or their budget requirement, according to the number of students they would have there.

Item 4 agreed to.

Vote 6 agreed to.

Mr. Chairman: — This concludes the estimates for Co-operation and Co-operative Development departments, and would the minister like to thank his officials.

Hon. Mr. Hardy: — Thank you, Mr. Chairman. I'd like to thank the opposition for the questions that they put forward. I'd also like to thank my associates here, my deputy minister and the administration, for their answers that they've been able to supply me with for the opposition. I'm sure that the opposition has been enlightened by the answers we've been able to give them in regards to the co-operative movement, and certainly the co-operative movement in the province of Saskatchewan is alive and doing very well, thanks to people such as we have in the department here, because they are excellent people, and all the department is, and they're doing an excellent job. I'd like to especially thank them for supplying me with the answers here this evening.

Mr. Koskie: — Mr. Chairman, I join with the minister to congratulate and to thank his officials for providing the information in respect to the estimates. I thank the minister for being as forthright as possible under the circumstances of a difficult cut back in budget in his department, and certain when we form the government we look forward to further funding and development of the Co-operative department. Thank you.

Some Hon. Members: — — Hear, hear!

The committee reported progress.

The Assembly adjourned at 9:54 p.m.