

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Energy and Mines
Vote 23

Item 1

Mr. Devine: -- Thank you, Mr. Chairman. I wonder if the minister might take a few minutes and describe what he sees as, very briefly, the energy options and the energy possibilities in uranium and the nuclear industry. And then I could ask him a little bit more about oil and gas and coal and what not. But maybe he could start with the uranium and nuclear industry and describe what he sees -- the major potential, the alternatives, perhaps a little bit about what's going on in terms of economic development, particularly on the nuclear side, and just bring us up to date in a brief fashion about the nuclear and the uranium industry.

Hon. Mr. Anguish: -- I thank the hon. member for his question. It can be a fairly broad ranging topic of what is asked. I'd like to first off note that the energy options review is part of the comprehensive energy strategy, and that will be laid on my desk some time this summer of this year, summer of 1994. That work, at least the preliminary work, is being done by the Saskatchewan Energy Conservation and Development Authority, and it will be part of their input into the comprehensive energy strategy.

Having said that, we feel that the prospects for uranium in Saskatchewan on the medium- and long-term are fairly optimistic. As the member would know, a lot of the sales of uranium are in long-term contracts, and they're not affected a whole lot by the spot market. The developments, in terms of mining in itself, the hon. member would be aware that the federal-provincial panel approved two out of three requests to proceed with new uranium developments in Saskatchewan.

On the nuclear side, the memorandum of understanding is still in place with the Atomic Energy of Canada Ltd., and their work in Saskatchewan is centred around doing research and design work for the CANDU 3 (Canadian deuterium uranium) reactor. Beyond that I'm not sure that there is much more I can offer to the member on that particular topic until the comprehensive energy strategy has been completed this summer.

Mr. Kujawa: -- Thank you, Mr. Speaker, may I have permission to introduce guests?

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kujawa: -- The guests are seated in your gallery. They are the 24th Girl Guide Company of Regina. They are here chaperoned by Laura Pogue, P-o-g-u-e, and I'm not going to try and pronounce the other one either because it is Karen W-u-r-m. But they're all a fine-looking group, and I hope to meet with them a little later and answer easy questions in Room

218. Welcome them to the House, please.

Hon. Members: hear, hear!

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Mr. Devine: -- Thank you. Mr. Minister, you mentioned CANDU 3's. I'm not sure that I got entirely what you said; you said that . . . I won't put words in your mouth, but along with AECL (Atomic Energy of Canada Ltd.), you are reviewing the options for CANDU 3's or the technology. Maybe you can elaborate a little bit on that so I know exactly what that is. And secondly, are you exploring any other options on the nuclear side other than CANDU 3's?

Hon. Mr. Anguish: -- I did not say we were reviewing the agreement between AECL and the province. What I said is that there is an agreement in place. I believe it's a four-year agreement, \$20 million in total -- \$20 million from each, the province and AECL. So \$40 million in total over the four years of the memorandum of understanding.

Their work is to do research and design work into the CANDU 3 reactor. They're centred in Saskatoon, as the member would know. At this point in time, until the comprehensive energy strategy is completed, the province is not presuming any work at this time on further nuclear developments in Saskatchewan.

Mr. Devine: -- You're saying that the MOU (memorandum of understanding) between Saskatchewan and AECL is to do research on the design of the CANDU 3. And you are participating in that research now so that over the next four years you can presumably have in place the best technical information, engineering information on the design and presumably how to produce a CANDU 3. Is that correct?

Hon. Mr. Anguish: -- The memorandum of understanding is quite clear. Over the four years there will be design work and research done, and there will be more information there on the technology than currently exists today anywhere in the world because this is the place where the design work for the CANDU 3 is being completed. Beyond that the province is not contemplating anything further than what stands there.

We want to have the best information possible, looking at all possible means of generation in the long term for the province of Saskatchewan. And we are not in a position yet to make that determination as to

what those options are in any sort of a priority order. But with the comprehensive energy strategy and developments that come over the next few years beyond that, we'll be in a position to give, hopefully, a very definitive statement on what the most logical options are for medium- and long-term generation of electricity in the province.

Mr. Devine: -- Would you care to comment on how you might feel about the possibility of the province of Saskatchewan, having looked at the design of this . . . enter into a combination public-private sector agreement where CANDU 3's are manufactured in Canada, perhaps in Saskatchewan -- well let's say Saskatchewan -- manufactured here and exported abroad, or exported to other places in Canada, or anyplace else that might want to use them.

Have you got a philosophical problem that would prevent you from entertaining that possibility where you would make them and market them, as opposed to perhaps making them and using them, but making them and marketing them to Ontario or to United States or to other places in the world? Have you ruled that out, or would you have a philosophical problem with making those turbines and marketing them, either nationally or internationally?

Hon. Mr. Anguish: -- There's not been a problem to that that I've been privy to any discussions. The concern over the whole nuclear debate, of course, is one that the member opposite would be familiar with in Saskatchewan, and elsewhere around the world it's a very sensitive issue.

I think what we're looking at in Saskatchewan though for right now is what those options are for us in the future for electrical generation. If, on the other hand, out of the memorandum of understanding comes work that shows that there could be some marketing possibilities and some industrial development, I suppose you would call it, in Saskatchewan, we would be interested in looking at those opportunities.

It would not be the province directly that would do the building and the marketing, and I'm sure the member understands that. AECL would have to make that choice. They are the marketers, and they would likely be the builders or contract with someone to do the actual building of the components.

In terms of the government having some particular problem because of the political situation or because of ideological bent or philosophical bent, that's not been something that's been debated to any great degree. But on the other hand, there's not a problem that's been identified at this point in time.

Mr. Devine: -- Well that's fair enough. Mr. Minister, what I'm getting at is, in terms of the long-run economic development in the province of Saskatchewan, if you can have manufacturing jobs here related to good quality information . . . particularly as you point out, if we can have the best information that money can buy or that is generated on CANDU 3's, if the best information in the world will end up being in Saskatchewan, on how to design and make and produce CANDU 3's.

And there is a demand for CANDU reactors, because AECL sells them worldwide. What I'm asking you is if you haven't ruled out the possibility that people could actually manufacture

these well-designed CANDUs and market them internationally -- not using it here for whatever reason, if you don't want to, but just the making of it, the manufacture. Assume there's a demand for electricity worldwide, and environmental concerns associated with coal and other things that you're familiar with. If countries like Korea or others that we presume to be safe to market these technologies to . . . You haven't ruled out the possibility that Saskatchewan could be a key player, either through the private sector, AECL, joint venture, combination, in the manufacturing and production of this very sophisticated technology worldwide.

Hon. Mr. Anguish: -- No, we've not ruled that out. Of course AECL would be a major player in making that type of decisions, and I think that we always have to be aware in Saskatchewan, in the changing environment that we are in, that technology and information is just as marketable as tangible products that can be held onto and fabricated, put together, as well as the possible components. I think there are some backward linkages in terms of producing equipment for such a project. There could be forward linkages in terms of new industries. And at the current time there are, I believe, 93 people now in place to design the CANDU 3 reactors, and I believe that they are all located in Saskatoon at the present time.

Mr. Devine: -- Well, Mr. Minister, I'm really delighted that they are in Saskatoon, as you can imagine. My question is in economic development terms. In talking with your Minister of Economic Development and your cabinet colleagues, one of the things that obviously Saskatchewan will have that other jurisdictions don't have in the country, along with uranium, is the best research anywhere in Canada on designing this newest level of CANDU, with its incremental technology and its parts and its pieces and its components. We will have, presumably, the very best in the nation.

Given that is going to be here, and you've said you've committed to it; and AECL is here and they're doing it; I would just like if you could leave some doors open to industry who might be interested in manufacturing and the design and the building and co-venturing marketing, as well, CANDU 3's in the province of Saskatchewan for worldwide markets. Because that could be -- and I'm sure that you are aware, based on the information that we have and based on the fact that we are a major producer of nuclear energy through uranium -- that could be a natural development which could be very powerful for the province of Saskatchewan, if we'd entertain just manufacturing them and/or the components, as you've suggested, in combinations to market worldwide in conjunction with AECL and any business partners, local, national, international, that may come along.

And as you know, we have German partners, Japanese partners, American partners, French partners, in the mining business. Conceivably we could have similar kinds of partners in joint ventures which would allow us to manufacture the latest and the very best technology in nuclear reactors any place in the world.

(1915)

It would be a fascinating economic development strategy. And I guess I'm just asking, can you add a little bit more enthusiasm or a little bit more excitement than saying, well, we haven't ruled it out. I mean could you give me any real major hesitation in why you might not even consider manufacturing or making the components? Isn't that just like a slam dunk?

Isn't it pretty easy if the technology's there and the market's there, wouldn't you rather have them dump . . . and AECL is here and the research is here, isn't it just very, very clear they should be built here as opposed to being built in Ontario or any place else?

Hon. Mr. Anguish: -- Well I don't want to add too much enthusiasm because last time we were together in the House I added enthusiasm; we didn't get anywhere. We talked about one topic, and it drew out for quite some time. So I'm trying to be calm and provide you with answers to the very good questions that you're asking this evening.

And I said to you very clearly, we have not ruled that out in terms of . . . (inaudible interjection) . . . that we have not ruled that out. AECL of course want to do it here. That's a consideration. We would have to make sure that, through the work over the four years of the memorandum of understanding, that the CANDU is the best product in the world.

The current CANDU system we have I think is recognized worldwide as a very good system. The CANDU 3 is under design right now. And nuclear equipment needs special qualifications; I understand the ISO (International Standards Organization) 9000 quality in manufacturing. And we can encourage companies to obtain this certification. And if they go after it and those companies happen to be in Saskatchewan, there is a future economic development opportunity there.

And of course we are going to have the best information available anywhere in the world on the CANDU 3 because this is where the work is taking place: in Saskatchewan. So those may indeed lead to future economic development opportunities for export of information, technology, and equipment to other parts of the world that are much more starved in energy than what we are in Saskatchewan -- in fact, in Canada.

Mr. Devine: -- Well I can pursue this with the Minister of Economic Development when the time comes, but you're the Minister of Energy and I just wanted your opinion.

What you're saying is that you can see no . . . I guess one more simple question. Are there any theoretical reasons, ideological reasons, or philosophical reasons, from your administration that you couldn't . . . if the design is there and the market is there and we've got all the information, that we couldn't make them here and market them. Can you see any reason why we

wouldn't want to do that?

Hon. Mr. Anguish: -- No, I can't see any reason why we wouldn't want to do that. As I said, there is a world out there that starves for energy and that particular option is an option for many countries in the world that don't have the abundance of resources that we have in Saskatchewan, and in fact throughout Canada.

There are some of the other caveats I put on that, is that the qualifications have to be there, the safeguards have to be there, the companies have to want to do the business. And I think with the confidence we have in the business community in Saskatchewan that they would be willing to do that and most of those caveats that I place I'm sure could be overcome. But I don't want to project into the future for you or the people of Saskatchewan or for anyone, an absolute that may not come about. But in terms of your question I see no reason why one couldn't flow into the other.

Mr. Devine: -- Well I'll assume that to be the case and I can ask other ministers whether they feel the same, or indeed the Premier when his estimates come up. I don't obviously see a philosophical or environmental problem with manufacturing machinery here and marketing it, particularly when we're mining and selling uranium energy, I mean, making the turbine. It's just like the Japanese coming to Saskatoon and manufacturing turbines. There's no philosophical problem with that and if we could make them here it seems to me that's one of the things that your administration could seriously look at and indeed promote, is the manufacturing of all these energy options. One of them is the nuclear option. Whether you use it here or not is one question, but making them and marketing them could be literally thousands of jobs. And I wouldn't know why you wouldn't want to consider that and I'll assume that you would.

Now you mentioned that if you have this information, you're doing the research here, that there's not market not only for the components, not only for the machine itself, but there's a market for that information, or similar kinds of information. Could you tell me whether you're doing research on nuclear waste management here in the province? And with the research people that you have, and others, could you bring us up to date on that.

Hon. Mr. Anguish: -- In terms of nuclear waste management, it depends on what kind of waste you're talking about. Of course there is extensive work that goes on in Saskatchewan on tailings which is waste from the mines in the North, in terms of medium-level and high-level nuclear waste. It's not been anything

that's been researched by the province, or as far as I know any entities of the province of Saskatchewan.

There of course are some unique experiences going on in Saskatchewan, not in terms of waste but the actual ore bodies themselves, in that some of the ore bodies are such high intensity and a high grade of uranium that they're considering alternate methods of mining, such as using robotics, because they don't want workers to be exposed to the high levels of uranium or the high levels of radiation.

Mr. Devine: -- Well, Mr. Minister, now I'm going to bring you back to a focus there a little bit. What I'm talking about . . . Assuming that we were marketing, manufacturing and marketing, CANDUs out of the province of Saskatchewan, some countries might say, well how do we handle the nuclear waste from these CANDUs? How do we handle the spent fuel?

Now are you going to be in a position, because of the research you've done, to say, we recommend this and this and this. I suggest, Mr. Minister, that if in fact we, in this province, could be doing the research as we have in mining on the technology in terms of the CANDU machine itself, corresponding information on how to manage the fuel would be very valuable, or conceivably could be very valuable, and people would pay us handsomely for that technology. In other words, we could be as good as you describe in terms of not only the CANDU 3, but indeed in terms of how to manage the waste cycle entirely.

Are you saying that you're not doing any research on that or you haven't contemplated research on that, particularly when you're now saying that we will be the very best on the design and manufacture in the production of CANDU 3s? Wouldn't you think it would be a reasonable idea to have corresponding research on the management of the waste product that is going to be the spent fuel from CANDUs no matter where they're used?

Hon. Mr. Anguish: -- The province of Saskatchewan is firmly on the record. This government is not entertaining a high-level nuclear waste repository in the province. We are not doing any research into that type of nuclear waste storage. AECL does have a mandate to look at that within Canada. And safe disposal is being designed at, I believe it's Pinawa-Whiteshell is what they refer to it as, in Manitoba. And I think it's waiting federal approval or at some stage of trying to gain federal approval.

So there are different places throughout the world and it's a world problem, not a unique problem to Saskatchewan or to Canada. It's a problem across the globe. And I know the authorities in the United States are looking at the Yucca mountains in Arizona in terms of deep storage repository of high-level nuclear waste.

In terms to your direct question, in Saskatchewan the government is on the record that we will not entertain high-level nuclear storage in this province, and therefore there is no research going on into high-level storage. And as part of the AECL memorandum of understanding with the province, it specifically excludes high-level nuclear waste, and in any event they still signed and they still came here, and there's 93 employees working on the research and design of the CANDU

3.

Mr. Devine: -- Mr. Minister, you said that there wasn't a theoretical problem in . . . or a philosophical problem in . . . if you have the best research and design in CANDU 3's that you could perhaps make them and market them internationally.

Now I didn't say whether you were going to store nuclear waste here; I said could you do research on it because the research could be very, very valuable.

In the world of environmental problems, in the world of new technology, one of the next waves of jobs and economic activity is environment related, energy management related, and we're blessed; we have a huge opportunity here. And it didn't say you had to use it. I'm just asking as I did in the CANDUs. You never committed to using the CANDU here.

I'm not saying I'm asking you to philosophically change your mind and commit to waste management in Saskatchewan. I'm asking you, could you conceivably do the research? Would you entertain -- with public sector, private sector, AECL, international joint venture partners, others -- research so you could be a centre of excellence on waste management in Saskatchewan to provide advice, because frankly you might be asked: if you're going to be marketing CANDUs, how do we manage them in the complete cycle? And then you get into medical research that is in the cycle and the whole combination of how you can pull off the various parts, depending on the use and how hot it is and the combination thereof.

Can you philosophically see a problem in us gathering good information, or even conceivably being a centre of excellence on waste management technology and information -- as you said earlier, because it might be marketed internationally?

Hon. Mr. Anguish: -- The research is basically already done. I mean AECL has done the research; various agencies across the world have done research; we have access to the research. It doesn't seem that the research for disposal of high-level waste is the problem.

The problem is finding someone who says yes, this research is valid and we'll let you set up a high-level nuclear waste repository in our area. No one at this point has been willing to do that. If the federal government approves the AECL facility at Whiteshell, then we not only have the research at our disposal to tell international markets, we would also have by our next-door neighbour a actual repository for the high-level nuclear waste as well.

So we don't intend on duplicating very expensive work by very technical people that has already been completed by AECL and others at various places

throughout the world.

Mr. Devine: -- Well, Mr. Minister, you just finished saying earlier that the world is changing and technology changes and we do research. Now you can't assume that we've learned everything there is to know about waste management and nuclear energy. I don't think you meant that. Or that everything there is to know is next door in Manitoba. Now if there is, if we have it all, could you report to the House or even get your officials to report to the House or table in the legislature all the latest . . . and all to your satisfaction -- a nuclear waste management, all the research and all the three? And I think it would be quite difficult to do that, but I could ask you to do it.

What I'm talking about is, with the design of new technology must come -- I mean just logically -- the impact on how we might modify . . . how we manage the wastes because of incremental design, smaller designs, putting them together differently, a combination of how long you can use it, the time, the length, the design. And to do it hand in hand in the fact that you are designing this new technology and designing the management system to go with it would seem to me to be a reasonable marketing package.

I think you've travelled enough to know that if you can put this in one hand and this in the other and say yes, we have looked at both . . . in fact we have a centre of excellence here, or we have looked into the future and with the design going this direction, we can offer you a complete package. Doesn't that seem to make . . . You've ruled that out.

You said I will only depend on . . . I mean I guess what you said is all the research that's available and is up to date as some place else, we won't need it here. And while we're doing this research on the latest technology, we won't bother on waste management. Is that . . . that's it, is it? I'm not putting words in your mouth. And I'm just asking you in theory or in principle. Couldn't you see those parallel streams developing for a province like Saskatchewan that could mean really high-tech, long-run, environmentally connected, job-orientated activity that could be sustained for a long period of time? Doesn't that make, I mean, just some logical sense in terms of development of economic opportunities here in Saskatchewan?

(1930)

Hon. Mr. Anguish: -- It makes very good sense. What I'm saying to the member is what doesn't make good sense is for the Government of Saskatchewan or for some agency of the Government of Saskatchewan, to spend scarce resource dollars on research work that has already been done or is in progress by AECL and others throughout the world. If AECL proceeds with the CANDU 3, they're going to be the marketers and they've been the developers and they've been the designers and they have that information at their disposal. So yes, the package makes sense; you're correct in that.

But where I disagree with you -- where we depart -- is whether or not the province of Saskatchewan, or one of its agencies, should reinvent the wheel. That information is available through those that know the most about the technology, and we have confidence that they will use the economic strategies that

they should be using to market their product in the future.

Mr. Devine: -- Well I guess you're saying you'd let her go. You will not even attempt to tie them in. Given the fact you're spending four years designing this new technology, you assume that somebody next door is keeping up to you in terms of waste management and the latest twist on that associated with your technology. You just won't do it.

And I know you can see the philosophical problem. I'm not asking you to spend extra revenues that wouldn't come from joint revenue partners and a combination of things that would be from private, public, AECL, neighbouring provinces. Have you talked to Manitoba about a joint venture? Have you talked to anybody else about those kinds of possibilities, encouragement from those that might be associated with environment?

Have you ruled it out completely, even if it was financed in large part by somebody else? In other words, if somebody came along and said, I know that you're designing these new CANDUs. If somebody came along and said, I'd like corresponding parallel research to go on to at least make sure that we're right up to speed on waste management and the various kinds of modifications and twists you might have with that for three or four years down the road, would you rule that out, of taking place in the province of Saskatchewan?

Hon. Mr. Anguish: -- Well as clear as I can be to the member, that research has taken place and is ongoing through AECL, the same people who are doing the design work for the CANDU 3. So in your hypothetical situation, someone has come along a few years down the road and asked for that package. AECL would say yes, here it is, because they've been doing the work.

And if you care to look at the work that's gone on at Whiteshell outside of Winnipeg at Pinawa, Manitoba, they're waiting for federal approval for the concept which they propose. And their expertise tells them that this is the best method for them to deal with high-level nuclear waste.

So I'm not saying no to the concept that you propose. What I'm saying to you is, no we're not going to do something that's repetitive to work that's already been done.

Mr. Devine: -- So you suggest that AECL knows the answer and they've suggested the best is X. Could you describe what that solution is?

Hon. Mr. Anguish: -- The solution is to encase the high-level nuclear material, take it down underground in the Canadian Shield and store it there

in repository for many, many years to come, in what has been viewed as a very stable geological formation for many thousands of years.

Mr. Devine: -- Mr. Minister, are you satisfied that it's good research? Are you satisfied that it is the best research? Are you satisfied that the findings are credible?

Hon. Mr. Anguish: -- Well the environmental assessment panel will rule on that. I mean I'm satisfied that the research scientists at AECL are professional people and I'm satisfied that they've put together the best package they can.

It's now not for me to make the assessment as to whether or not this is the best that could possibly happen. It's up to the federal review process, for them to make the determination: one, is this the best possible; and secondly if it's not the best possible -- they have some other idea -- how do we get to the point that it's the best that we could possibly have; and what is acceptable to the population as a whole, taking into consideration the economic circumstances, the emotional feeling that surrounds the debate. But yes, I feel that the research scientists have paid due diligence to the job they're doing. It's up to the review process to decide whether this is the best possible, not me, in this House, to you, sir.

Mr. Devine: -- I'm just asking the Minister of Energy his view on the development of this economic opportunity. And I just want to make sure the best I can that you're logical and consistent in your arguments.

So you've said that the research is available and they've recommended a certain storage technology and as far as you know it's the best technology they can . . . they've designed and you're satisfied. I'm not putting words in your mouth, but you're satisfied with that technology. And particularly if the advisory and review panels, wherever and whoever they may be, say yes, that's the best we have, then you would say that that is the appropriate technology to use for the management of waste in the nuclear industry, not only in other parts of the world, but indeed in Canada.

Hon. Mr. Anguish: -- In terms of high-level nuclear waste, it's the best that I know of. We're satisfied with the process of research and development, and of the approval process which is under very close scrutiny. Ideally, if we lived in an ideal world with ideal circumstances, the ideal situation would be for some research scientist to wake up some morning and come up with an idea of taking the radioactivity out of spent fuel so it would be no longer radioactive. I mean that would be ideal. But no one knows if we'll ever get to that point.

So with what we know, and the stage and time that we're in as we travel through this journey of life, I believe that this is the best option available that's proposed to this point in time. In the future if we can progress beyond that, research should progress beyond that to make this world, and the energy and the systems we use, the safest they can possibly be, and if some morning the research scientist wakes up and finds a way to take radioactivity out of spent fuel, then I'm sure they'll win the Nobel peace prize, and many other items, and be honoured and renowned throughout the world.

So is it ideal? I don't know. Is this state of the art and do we have confidence in the research scientists that developed it? Yes, we do. Do we have faith in the approval process? Yes, we have faith in that because it comes under such close scrutiny and the public has input into it every step of the way.

Mr. Devine: -- That's very good, Mr. Minister. So you have faith in the scientists and you have faith in the review panel. Now let's assume that the scientists and the review panel agree. This is the best technology and they recommend that if you're going to store it, this is the best. If that's the case, Mr. Minister, would you entertain or would you stand in the way of Saskatchewan people applying to be part of that management industry?

Hon. Mr. Anguish: -- Well we've made a determination that this administration will not entertain deep repositories for high-level nuclear waste. That statement is very clear on record as a government. And I back that decision of the government here in the House today, and I back that decision also in public. That is the position of the government of which I'm a member of the Executive Council, and that's the position.

Mr. Devine: -- Well, Mr. Minister, you have confidence in the environmental people, you have confidence in the scientists, and you have confidence in the review panel, and you have confidence in the design of the CANDUs and the manufacturing and marketing of them. And then you say, but no, not for Saskatchewan people. Could you describe . . . if you have confidence in the environmentalists, and in the review, and in the technology, and in the scientists, and the manufacturing and the design, and the best options -- and we assume that we have the geological formations to do this -- could you describe why we should have confidence in your judgement, why industry should have confidence in your judgement, if you've said, I believe in these people and these and the scientists and the environmentalists and all of this review, but when it comes to talking with an NDP (New Democratic Party) administration, obviously there's something else there.

Could you further describe why all of this confidence and this trust that you have just described falls short of allowing Saskatchewan people with the appropriate uranium, and the appropriate mines, and the appropriate technology, and the appropriate scientists, and all of that potential which, as you know, could be clearly thousands and thousands of jobs . . . You say, but no, not here.

Could you walk me through that confidence, confidence, confidence? All of a sudden it falls through because with an NDP administration it just

doesn't work. And particularly for those that want to invest here.

Hon. Mr. Anguish: -- Well to this point in time the people of Saskatchewan have said on a number of occasions that they don't wish to proceed any further in the nuclear cycle than what we're into already in Saskatchewan.

There have been hearings in Saskatchewan many times in the past. The most famous one was over the Warman refinery, where there was a large public outcry at that time. And those conditions have not changed.

I would repeat to the member that the position of this government is not to have high-level nuclear storage waste in this province. And I put that back on the record here this evening. If the member wishes to pursue that line of questioning he can certainly pursue it, but that is my answer to him on that topic.

Mr. Devine: -- Mr. Minister, you see that you're digging yourself into the same hole you did the other night. What we're after is logic and some confidence. We can take you along so far and then all of a sudden it just falls apart. Because you've just said that you have full confidence in the environmental panel, the scientists, the researchers, the technology. It's the best in the world; we don't have to redo it. And if it's approved, it's fine for anybody else but not for people in Saskatchewan.

Now you have no evidence to show me that Saskatchewan people wouldn't entertain the newest technology in having us do research on technology or even looking at the options of management of this complete cycle. You have no evidence to show me that.

You have made a decision, which is fair enough. I'm asking you in public to justify your position. Because you said you have all this confidence and I assume all the cabinet ministers have this scientific confidence. Then where does it fall apart? Why can't you allow Saskatchewan people on the 21st century wave of technology, environmental impact and the management?

And your colleague, the Minister of the Environment, will tell you precisely that's where the jobs are. Precisely. In environment, and management, and energy, and putting them together. And you've said, I have confidence in him and all my research and all of this, but when it gets to Saskatchewan, while we can mine it and sell it and market it -- nuclear activity -- we can't look at the cycle involved with waste management. Because of the research? No. Because of the scientists? No. Because of the latest technology? No. Because we're manufacturing and designing it? No, we are.

You see industry will not have much confidence. And that's the problem we face. So I'm just asking, could you build a better case why you can just say: well logically, we just say no. Could you elaborate on the no. From what source that comes; where it's from; why, if you've got all this confidence in all this research and technology.

Hon. Mr. Anguish: -- Elaborating on no, I guess, means no. That's the position. It's a policy of government. You know as

well as anyone and you should know -- as a former premier of the province -- you should know how government policy gets set. And that's the government policy, and the no is a no, and I don't know whether elaboration just means no, no, no, no, no, no or just no. It's still the same no.

Mr. Devine: -- Well, Mr. Minister, when it comes to many decisions by the government, the opposition and the public will ask why. And it's not good enough just to say, well it's just because I'm in cabinet I can say no and I don't have to explain it. We went into that in co-generation and you didn't really have an answer. And it's not very popular and it's not quite logical. This one you're caught. I mean personally I don't think you probably have a problem with managing the waste cycle and all the things that are involved with it, particularly with respect to the health care technology, waste management technology. It's high industry, high tech, high jobs. But you just say no, can't hear.

(1945)

My colleague just reminded me -- and he can speak for himself -- but what happens if just in theory, we have a new administration in Saskatchewan and it says we can review the waste management, we can have research, we can even participate, and then we go along for four years. Then when, if you want again, you can come back and say no, we've got to shut it down. Another administration, oh yes we're going to be ... it's okay. And then you come along, you say no, you're going to shut it down. We're talking about long-run economic development.

Now it seems to me you've come to the conclusion you can't do that in uranium mining. It seems to me you've come to the conclusion you can't do that in the manufacture and design of a technology, particularly when it comes to CANDU 3. What kind of a message and a signal are you sending out to national and particularly international investors on this high-tech information when you just say no without any logic. But there's no basis for it. Can't you help build the confidence, as you've been trying to tell me in the last go-around here, that it's important that industry invest here because of confidence.

Your answer, with respect, just doesn't generate a lot of confidence that you really have made up your mind why you said no, and what might change your mind because it would be quite important to people looking at this massive industry -- and it is massive -- from the management, from an environmental point of view, of this energy source.

So you're caught. You don't look like you're well ... one, perhaps, very confident of your answer; two, you don't want to elaborate on why; and three, it doesn't

leave the impression that the industry would like to invest here because it could be on again, off again, on again, off again. And people will not invest under those circumstances. So it really does beg for a better answer, Mr. Minister.

Hon. Mr. Anguish: -- Well a couple of points, on your last point, people won't invest here -- that's inaccurate. There are no facts to bear out what you say. If you want to take a particular industry, there's approval for two new mines in Saskatchewan. People have invested in that. There's an underground exploration project going at McArthur River, another one at Cigar Lake. Those are all uranium mines. People have invested. AECL invested here -- \$20 million over four years; that's an investment. So there are no facts to bear out what you say that people will not invest here.

And secondly, the point I make, you're dealing about a hypothetical situation. Why don't you just slow down for a moment and see how this goes through the federal review process. See if Whiteshell at Pinawa in Manitoba, the concept gets approved first.

One thing that I would pride myself in this government is that we plan things out; we don't react in a knee-jerk kind of situation, as you're proposing that we do here this evening. And just slow down a little bit, and let's have a look at what the facts are, rather than you inflaming the debate here again this evening. I don't know what it is you're trying to accomplish, and I don't know why you're being as negative as you are about the prospects for this great province.

Mr. Devine: -- Well, Mr. Minister, I'm very high on the province; I'm just not as high on you and your rationale for what you're doing. I have a great deal of time for the resource development in the province and had something to do with encouraging people to invest here and encouraging AECL to come here and encourage people to invest in uranium mining, and in some ways perhaps brought you kicking and screaming into those decisions so that you . . . you know, which were not popular for your party. And then you have political problems, I mean I can appreciate that.

What I'm trying to do here is say if you pride yourself in planning, then you should look ahead and say: if indeed the panels and the environmentalists recommend that we do this waste management technology, you should be fully prepared to respond to that and respond in a way that shows you've had considerable thought put into it. Not just no, but yes we can design, we can manufacture, we can give you packages on waste management, here's how you do it, etc., which is a very comprehensive marketing package.

Now you've not given us any indication that you can do that because you've just said no. Now all I'm asking you, have you considered research, just considered research on waste management that would allow you to make those parallel decisions as we go through this environmental and technological change that we're all experiencing.

Because if you haven't and you're just going to say no, then I'll . . . I mean we'll just shut it down here and you say no, the NDP government has ruled it out categorically.

And it makes no sense given your confidence in all this other research, particularly when we're looking for jobs and you're looking for jobs linked to the Minister of the Environment . . . the ministry of Environment and Energy coming together. The two of you must know that's huge potential, and you've said no.

Now one more time: is that all you can add? You will not elaborate for all those potential and future investors in this high-tech, knowledge-based industry that it could take place here in the province of Saskatchewan as we have the research on CANDU 3.

Hon. Mr. Anguish: -- Well I'll repeat to the member, the review process that the federal government is undergoing right now, I believe, into the proposed method that AECL has come up with to store high-level nuclear waste -- that process will in fact take several years. I'm saying to the member: give that a chance, that process, to work.

You seem all bent for fire that you want to change something tonight here in the legislature that professional people are going to spend several years looking at to make sure it's the best possible and maybe adapt to it along the way.

Why do you get caught up in this House on trying to make the politics or whatever it is you're trying to do out of a situation that's first off hypothetical; and secondly, there's a review process there that's going to take several years. If you want to create this as a political issue, just wait until the next election and run on it as your major election issue. Do it that way.

I mean don't take up the time of this House and professionals when I've answered your question several times. Either rephrase your question a little bit differently or go on to another topic that's appropriate to the estimates of this House.

Mr. Devine: -- Well, Mr. Minister, it shows me if you're not prepared to entertain this in a long-run fashion, then it won't happen in Saskatchewan. It may take up to 10 years for the design and the manufacture of different technologies on the CANDU side and on waste management. And you've got to be part of that, even if you pride yourself in the vision of having intelligent capacity to say yes and no down the line.

But what bothers me is that you've just ruled it out. You say, I don't want to do the research and I don't want to look at it, and we'll wait 10 years. You know what? The rest of the world isn't going to wait. It doesn't wait; it bypasses you. And you'll be retired and gone and doing something else and you'll say, gee I wish we'd have been on top of this. If we'd have

been there in the driver's seat when we had the opportunity in the early '90s, in the mid-'90s, to be there at the frontier and at the front of it. Then you can drive it. But if you're going to wait, you're going to see other people driving it. And it happens all over the world, all over, all the time.

And any of the latest journals or any of the latest writings on the latest technology and the latest industries will tell you, get on the horse, do the research, get out front. So I'm not playing politics. This has nothing to do with politics. This is to do with Saskatchewan having an opportunity that other jurisdictions don't have.

We have the uranium. We have AECL. We have a joint venture. We've got great technological capacity. We've got the Japanese here manufacturing turbines. We can do more of that. We've got international partners who are looking for confidence, and you're kind of slipping into politics that I shouldn't be talking about this. This is a major discussion and a significant discussion about the future of your province and my province, and it deserves serious attention.

And I'm just asking that -- I guess I'm confirming -- you've just ruled that part out. So you will not do the research on it and you will not entertain it and you said, wait for 10 years. So I mean it's disappointing to hear that. It's . . . well I would . . . If you have nothing else to address or to reduce the fears that I have, that you haven't thought about it, or if you have nothing else you can say in terms of adding confidence to international investors, then we can just go on to something else.

Hon. Mr. Anguish: -- I've already explained to the hon. member the position on research. The research is being done. And why would we do something that's repetitive to an organization that's set up to do that and have already done the research and have ongoing research?

If you don't believe in the process you should say that. It's not me that's saying it's going to take 10 years, that's the process that's been set up. That's the review process, could take several years down the road because of the review of the proposal that's been submitted by Atomic Energy of Canada Ltd. And when you're . . . you're talking to your member . . . our process -- it's not our process, it's the public process. It's the federal government process for reviewing high-level waste disposal as proposed to them by AECL.

Now we do not have the means or the resources to duplicate work that's already been done and I would find it unwise to spend Saskatchewan taxpayers' dollars on something that's already been done. That's the first point I want to make with you.

The second point is you saying we want to get out front and drive it. What if this isn't the right process used to dispose of high-level nuclear waste. We saw, far too many times, other governments in Saskatchewan get out in front and drive a process that left us about \$15 billion in debt in the province.

We want to look very closely at what's happening with this industry. The whole industry is major to the province of Saskatchewan; we're well aware of that. But don't tell us to get out in front and drive something that is in the process and in the

hands of the federal government at the present time. We don't want to lose the shirts of the people of Saskatchewan by jumping into something that we don't have the possibility to run out in front and drive.

What if we went ahead and said yes, let's have deep nuclear disposal in Saskatchewan and we built a shaft and we wanted to haul high-level nuclear waste into Saskatchewan. Know what would happen? The federal government would say: no you don't. Because it hasn't gone through the review process. So I'm saying to you, wait till the review process is over.

Saskatchewan does not have the authority to get out and run in front of something like this, and I reinforce our position on this particular topic, is we are not going to have high-level nuclear waste disposal in this province. That's what the record states; that's what I state here this evening.

And if you want to pursue this line of questioning I suppose you can. But I would think your time would be more productive, once I've given you that answer, to go on to the other important items concerning Energy and Mines and the Energy Authority for the work they do every day and the work they're doing for the future of the people of this province.

Mr. Swenson: -- Thank you, Mr. Chairman. Mr. Minister, you just raised a very important point when you're talking about review processes. You recently had a joint federal-provincial panel bring down some decisions in regarding to uranium development in northern Saskatchewan. You saw fit and appropriate that you not follow all of the recommendations of that panel. And if I remember correctly, the reasons that were given were that there were certain historical realities associated with uranium mining. There were certain economic realities. There were certain things to do with native employment and hiring. There were a whole host of reasons why you could ignore all of the recommendations of that panel.

Now, Mr. Minister, it isn't quite fair of you to come and hide now behind the federal environmental review of waste management in regards to the nuclear business. That's simply not fair. Where you saw opportunity, where you saw a real political bind, you had no problem disregarding a panel decision -- a joint federal-provincial panel. Now the fact is, Mr. Minister, you know full well that there are people in this province that are quite prepared to drive this issue a little harder. And I've heard the Meadow Lake Tribal Council, I've heard other entities, say that they have money that they aren't expecting the taxpayer to put up one thin dime for. And they would like to enter the review process in an advocacy way.

So, Mr. Minister, how can you say to them now, no

this is in the hands of the feds, and we aren't interested, when just a few short months ago you didn't mind not accepting those recommendations at all because it fit nicely with what you wanted to do. Don't you find that a little bit hypocritical, Mr. Minister, that you can sidestep when you want to? But on this issue, which is on the minds of a lot of people, you simply say no. How do you rationalize being able to ignore one panel and yet lay all of your arguments on the findings of another one? How can you do that, Mr. Minister?

(2000)

Hon. Mr. Anguish: -- Well the member is bringing up a point that he's either not clear on or is straying from realities. What the federal-provincial panel did was make a recommendation. We responded to the recommendation. The federal government also responded in a similar manner to what we responded as a province, and the federal-provincial panel said that they felt that we responded in the spirit of the recommendations they made.

So let's not play with the reality of the situation. There is very little comparisons you can draw between what you're asserting and what happened in reality. In fact you're drawing a very, very long bow to even make the connection.

In the case of the initial panel that you talk about -- the federal-provincial panel on the new developments for uranium mining -- they had reported. They made their report. The federal government and the provincial government had to respond. We responded and the federal-provincial panel said the response is good. It's within the spirit of the recommendations we make.

In the other case, the review process hasn't even been completed and you're asking us, in terms of your rationale, to violate the review of the panels ongoing on the other topic. So let's use rationale that's in line for comparisons, not something that's playing with the realities of the situation.

Mr. Swenson: -- Mr. Minister, the point I'm trying to make is that you should be inviting people to participate in that review process. It doesn't cost the government of Saskatchewan anything to invite interested parties to be part of that federal process.

Yes, at the end of the day you and the federal government agreed on things and the people on the panel had to say that it was within the spirit of the review. You know full well that the government had some vested interest, as did the federal government, in seeing some of those projects proceed. And I heartily concur with the decision that you made, Mr. Minister, heartily concur. In fact you probably could have gone a little bit further, in my view, and still been within the spirit of the recommendations, and things would have proceeded as they should in northern Saskatchewan.

But the fact is, Mr. Minister, that what you are telling us tonight in committee, where we're discussing something that you and I both know has the potential to create a tremendous amount of employment and activity in our province, that you simply don't want to talk about the subject.

Mr. Minister, would it be within your purview as Energy and Mines minister to be an interventionary or invite Saskatchewan proponents of waste management in the nuclear industry to be part . . . Have you, have you asked the federal government if you can be part of that process, so that you clearly understand the environmental review process, because obviously in the nuclear business we've done joint federal panels here as a matter of course. Would you see that as your role, to be part and parcel of that process and be in a position to invite Saskatchewan people, if they wish, to be part of that discussion? Would you do that?

Hon. Mr. Anguish: -- Well that is part of the process. And during the review of the federal government, part of that review is public participation. And anyone in the public, including yourself, is welcome to make a presentation to the public review process, that part of the process which will be undertaken by the federal government for the disposal of high-level nuclear waste. It's under federal jurisdiction. It's not our jurisdiction in that area.

So when you're talking about federal-provincial panel, we don't have any jurisdiction in that area whereas where there's some mining in Saskatchewan, we have some jurisdiction. There's overlap of jurisdiction. That's why there was a federal-provincial panel.

So in answer to your question, yes, there should be public discussion about it. The process is there for that public discussion to take place. And what I don't understand is why you and the former premier don't just allow the public process to take place. It's been set up, it's there, it's there for the public to deal with. It'll come under the scrutiny of the broader public beyond those interested in the issue. So I say yes, it makes sense. And not only does it make sense, the process is there to enable that to happen.

Mr. Swenson: -- Specifically, Mr. Minister, is the province of Saskatchewan, either through your auspices, or the Minister of the Environment or some other ministry, directly participating in that federal review process? You say it is entirely out of our hands as a provincial jurisdiction. I'll have to take your word for that, Mr. Minister. I don't quite understand why you would want it to be that way.

But can you tell me, is the Government of Saskatchewan not involved at all in that process or don't plan on being involved in that process in any way? Are you saying that you're staying out of it entirely? You've washed your hands of being any part of that. Or are you going to officially enter into that environmental review process?

Hon. Mr. Anguish: -- As far as I'm concerned it would be inappropriate for me to become involved in it. And

I'm not going to be involved in a process that's already established, to interfere with the due diligence of the federal panel that is reviewing that issue.

Nuclear waste, in terms of this proposal, is not an issue in Saskatchewan. It's an issue -- as I understand it -- for the process which AECL is proposing to be used at Whiteshell at Pinawa in Manitoba. That is what's being studied. Am I going to interfere in that? No, I'm not going to interfere in that.

Unlike the man who's sitting beside you advising you, we're going to do due diligence and not jump into something which could cost us dearly economically in the province of Saskatchewan. We're willing to follow the process to make sure what we do in Saskatchewan is the right thing.

Mr. Swenson: -- Mr. Minister, Mr. Chairman. That's what I want you to do, is some due diligence here, sir. You're saying, I'm washing my hands of it. I'm not going to interfere in it.

The federal panel, for whatever reason, if the minister is totally removed from it and doesn't understand what's going on there, may within a couple of years come in with a decision. And they may say, in our esteemed position, this is all right. This is the way that you handle nuclear waste.

My colleague was asking you to at least be out in front. I'm saying to you, what if that decision is made and you don't have any inclination about what's going on there. And then somebody comes along and says, well I want to do that. Federal government says it's okay to do that; passed all the environmental hoops and bells and whistles. And you're telling me that you and your department don't have a clue what's going on there, and you don't care to be part of that?

Mr. Minister, I find that strange. I find it really strange that you wouldn't want to be part of that process given that your province and the ministry that you're responsible for handles about 20 per cent of the free world's uranium.

I find that bizarre, Mr. Minister, that you wouldn't want to be part of that process and know that if that panel comes down with a decision that you are informed about what is going to happen. Are you telling me that you have no interest whatsoever in being part of that process?

Hon. Mr. Anguish: -- We're not going to be part of that particular process. We have full access to information on what occurs there. We have information on things that happened, processes that happened, various places in the world -- such as the Yucca mountains in Arizona, such as the research facility at Whiteshell in Manitoba. We have access to the information.

You're asking us to jump into something in the middle of a process and interfere in the process. That's not the method of our government to do that. We are not getting involved in the interference of a process that's currently established to make whatever point it is that you're trying to make here.

Do we have the research at our fingertips? Yes, we have that information at our fingertips. Are we willing to share that information with other people? Yes, we're willing to share that information with other people. Is there a process in place for

high-level nuclear storage? Yes. Are we going to interfere in that process? No. I don't know what it is that you're trying to glean out of me as a member of this government, but I think I've been very straightforward with you here this evening. I've answered as directly as I can the questions that you have put, and if you need different answers, maybe ask the question differently. But if you keep asking the same question, I'm going to be giving you the same answer.

Mr. Devine: -- Thank you, Mr. Chairman. Mr. Minister, there's a serious flaw in your whole argument here tonight, and it applies as well to the previous discussions we've had. Let me give you an illustration.

You are the minister in charge of Saskatchewan Research Council, and you've gone through some of those estimates. Now you didn't say to the Saskatchewan Research Council, I know that there's research going on in Ottawa and there's research going on in Mexico and there's research going on in California. We don't need to do any. We'll just glean it from the rest of the world. Particularly we can get it from the federal government . . . (inaudible interjection) . . . You didn't say that.

In fact you were prouder saying what we do in the Saskatchewan Research Council is we invite people to participate in joint venture research. In fact if I recall it right, you said the private sector is funding more and more research as they're invited to come into the province of Saskatchewan. Why do you do that, Mr. Minister? So that you can be on the leading end of the technology, so that you can be there in terms of various kinds of . . . I can go back through Hansard; I can read it to you today.

You said we should be there. Not in putting words in your mouth, but the SRC (Saskatchewan Research Council) can lead in providing this solution to this new technology. You don't wait . . . is what you said with the SRC, and you're the minister.

Now you come in here in this House in Energy estimates, and we asked you, well why can't you do research and be up there, at least in the parallel partner in the knowledge-based industry on waste management. You say, we don't do that. It doesn't make any sense. It's not logical. And that is 15 times if not 1,500 times the significance of the SRC.

Now, Mr. Minister, I'm after the logic of your decision not to be able to say I want to be there in a parallel fashion.

Let me give you another illustration. Do we do research in agriculture? Of course we do. Do we do it

in horizontal drilling? Of course we do. Do we do it in upgraders? Of course we do. Do we do it in technology? Yes we do. And agriculture is a typical one, and forestry is another one, and paper. And the technology to use various kinds of renewable resources and planting, we don't just depend on the rest of the world.

Where it's important to us, we're in there like a dirty shirt. We do the research in agriculture, and we do it in forestry, and we do it in energy until we got to the position where you said, I will not look -- I will not look. And it looks odd, Mr. Minister, it looks like you've got a serious philosophical problem that is going to get in the way of major economic and knowledge-based development in the province of Saskatchewan. And your argument that the system is going on and you don't need to be there doesn't wash, makes no sense. It's very similar to what you did in co-generation, makes no sense.

Just all of a sudden, no. Yet you brag about the research where you think it does and as my colleague . . . even when you get research and you don't like it, you can get around it. So what it tells people is that maybe you just do whatever you like and it's not based on logic, or science, or research, or environment, or any other system. And that gets at the heart of probably one of the major questions about your administration, is the confidence in the uranium industry, in the nuclear industry, in the energy business, and all of those options.

Now, Mr. Minister, if I can just draw you back. If in fact you are proud of what the SRC does in its joint ventures, couldn't your department invite people to participate in this high-level research, costing you very little money, but for you to stay abreast and for you to contribute to the solution. Because probably, just like in SRC and in other research institutions, you don't know all the answers and maybe you'd like to be there. Isn't there some compelling argument that you would like to be at least as knowledgeable as you said you would be in the SRC when it comes to waste management?

Hon. Mr. Anguish: -- We are knowledgeable at waste management. It's not our mandate and it's the view of our government that we won't repeat work that's already been done at very high cost to the taxpayers in the province. AECL has that mandate. They've done research, they are doing research, and we would rely on the research that they do. Don't ask us to make duplicate payments for repetitive work that won't make any greater advantage or disadvantage to the province of Saskatchewan. Just understand that for a moment. Just stop and understand that.

Different issue with the SRC that you're chirping about from your seat. The issue with the SRC is that they have the mandate and that's work that they need to seek out and people seek them out to do that work. No one's seeking out anyone in Saskatchewan to do research work in the field which you talk about because it seems everybody in North America, maybe throughout the world, knows that it's AECL's responsibility. You might be the only exception in the whole world that doesn't know that.

So the research is being done. The research has been done. It'll continue to be done. And we have access to that research.

The public will have access to the research through the review process. So stop for a minute and think about what you're asking us to do.

Are you asking us: one, to do work that's repetitive, that's already been done; secondly, at a high cost to Saskatchewan taxpayers that you would have a blatant disregard for, is that what you're asking us to do? Or thirdly, are you asking us to go into a project that could have literally hundreds of million of dollars into development of it and then the federal government could just say no, and we've wasted all that money? Is that the due diligence that you would spend? That's likely why you're ex-premier here today.

(2015)

Mr. Devine: -- Well, Mr. Minister, could you just then elaborate . . . if you can't provide any consistent arguments on research, could you elaborate why you just say no? Could you just come up with the justification for that?

Hon. Mr. Anguish: -- It's the policy of our government. There have been discussions about it, and the policy is that we do not see the need or have the desire as a government or for the people of Saskatchewan to have high-level nuclear waste storage within the province. There are other areas in western Canada, in the Canadian Shield that are far more advanced. So let's leave it at that. Let the process do its work.

But the answer to you, to your specific question, if I understand your specific question, the answer to that is no.

Mr. Devine: -- You said there are better areas. Do you have . . . could you present research to the House . . . (inaudible interjection) . . . Other areas, better areas and other areas. Could you present anything to the House that shows that there's a geological disadvantage to any of the particular formations in Saskatchewan compared to other jurisdictions?

Hon. Mr. Anguish: -- If I said better, I meant to say other; there are other locations. And there are some that are developed as research facilities already in western Canada. As to the most stable formations, I don't have that information readily available, but some of that information does exist. Why I don't have it? -- because I don't have it here this evening. I didn't expect in Energy and Mines estimates to be into an hour-and-15-minute discussion with you on high-level nuclear waste, especially when I stated the position of the government very clearly when you first asked the question. An hour and almost 20 minutes later I guess you still haven't heard the answer.

Mr. Devine: -- Well, Mr. Minister, I'm just trying to

find out why you said no. Are you saying that . . . do you have evidence to show that Saskatchewan does not have stable geological formations? Have you anything to justify your decision? Could you compare or show or table any research that shows that the geological formations here in Saskatchewan would not be as stable as other jurisdictions, particularly in the Canadian Shield?

Hon. Mr. Anguish: -- Let's take this in steps, if the member wants to deal with it. It's not the geology that's the issue right now; it's the process. So it's going to happen in stages.

What's before the federal review process right now is the process which AECL proposes to deal with high-level nuclear waste, just the process -- how to get it there, how to get it into the ground, what form it should take. That's what's being reviewed. If the federal government, after their due diligence, says this is the right process or this is the process with modifications, then there would be a search for the most stable geological formation in Canada in which to use the process that's being proposed by AECL.

So you're moving from one point to another, and it's very hard, I'm sure, if not for me, also for the viewers to get a coherent logic as to your line of questioning here this evening.

Mr. Devine: -- Mr. Minister, I'm just asking you if you done, or your officials done due diligence on the stability of the geological formations in Saskatchewan compared to others. Has that been part of your cabinet decision? Have you used that as part of your cabinet decision -- you say no, we won't consider it?

Wouldn't you like to have that information at least available to you? And it's just a discussion on what the geology is in Saskatchewan. In the event the panel says, well that's the best and now we're going to look for the best, wouldn't you like to be prepared for that? And it's just a study of the geological formations.

Can you inform the House of your latest research or the latest information on the geological formations and their stability?

Hon. Mr. Anguish: -- We just don't proceed like that. We don't even know the criteria set down by the federal government. They haven't set the criteria. But I'm sure if your government's indication was anything, you would be out there running around punching holes all over, blowing air out of them, telling people this is good economic development and then losing millions of dollars to the people of the province of Saskatchewan. We're not about to do that.

When the federal government has done their review process for the process and they set the criteria, then people can start looking for the most stable formations. But we're not running 10 miles ahead, spending tens or maybe hundreds of millions of dollars of Saskatchewan taxpayers' money without even knowing what the rules are.

And it's not our fault we don't know what the rules are because the federal government will at some point set those rules. Don't try and push us into wasting taxpayers' money before the federal government has even set down the rules to the game.

Mr. Devine: -- Mr. Minister, I was just asking, and I'm sure that you have . . . and what you've advised me now is that you didn't even consider that in your decisions. You obviously don't know personally how our geological formations and the stability of them rank compared to others in the Canadian Shield. You don't know.

I'm asking you: would you get that information from your officials because I'm sure there's existing research. After all the mining and all the drilling that we do across the Canadian Shield you'd know what we have compared to others. And if they've got that, couldn't they present it to the House so that we know, despite the stability in Saskatchewan's geology, you still said no?

Hon. Mr. Anguish: -- There's nothing particularly unique about any area of the Canadian Shield that makes one more stable than the other . . . (inaudible interjection) . . . Well the member would well know that it'll come down to a political contest at some point. Suppose every province within Canada wanted to compete for the site that you say so many people will want. Then it would likely, knowing the way that the federal government operates, come down to a straight political decision.

Mr. Devine: -- Well, Mr. Minister, you're saying -- just so we have it on the record, just so that you know we all know -- we have the most of the uranium in Canada in the province of Saskatchewan. We have geological formations . . . are as stable as any in the Canadian Shield. According to you and your officials, there is not a statistically significant difference. We are doing research on the CANDUs. We mine the uranium. We are opening new mines. We have all of the technology available. And you are saying no, not in Saskatchewan because we're going to leave that up to somebody else.

I just want to put that on the record because the logic obviously fails to ring here in the Legislative Assembly here tonight because people have looked at all those possibilities and to have an NDP cabinet minister and an NDP administration say no without any logic behind it . . . and you still haven't come out with why you said no.

If it isn't geology and it isn't research and it isn't the scientists and it isn't the process, then I'll give you one more crack. Why are you saying no, categorically, if the geology and the technology and the scientists and the environmentalists and the CANDU and the research and the AECL and all of that industry is poised for full development here in Saskatchewan, including your blessing of uranium mines? Why have you said no?

Hon. Mr. Anguish: -- Well thank you for giving me

one last chance to explain this to you. The policy of the province of Saskatchewan is that we will not have high-level nuclear waste disposal in the province. I can't be any more clear than that. We've been through all the other reasons. All the other reasons we've been through. You've been through the research aspect; we've dealt with that. You've been through the process, and I think we've dealt with that. We've been through the federal review, and I think we've dealt with that.

And you're premature in your debate on this issue. It's a debate that needs to go on and it's a debate that will in fact go on. It'll go on with the Canadian public; it'll go on with the Saskatchewan public. And I'm saying, just slow down for awhile. Just hold on and let the process and the reviews do their work. Don't try and push Saskatchewan people out somewhere where we're not certain that's where we want to be.

This government wants to be sure as to where we're going with the development and the future of the province of Saskatchewan, and that's particularly so in the whole field of energy which has massive potential for the province when we're talking about energy. It's one of the stars in our future that will guide us to future prosperity. So I'm saying to you, just hold on. The process is there; the research is there; the review is there; and I can't answer any more clearly than I have over the past hour and 25 minutes, the questions that you've put to me.

Now you can spin that out in whatever way you want to and how I know you're quite capable of doing. So spin it out as you want, but let's go on to the other topics that I'm sure you must view as very important within the people and the responsibilities that sit before you here tonight ready to answer those questions.

I would not want to say what you've said so far is not pertinent to the Saskatchewan debate -- because it is. But once I've answered those questions I think that it's proper that we go on to other topics that I'm sure must be of concern to you.

Mr. Devine: -- Well, Mr. Minister, I think you've summarized it but you just can't seem to answer. We found, Mr. Minister, that you said no, despite all the evidence that says yes. You said the research is good; and the geology is good; and the scientists are good; and the location is good; the panels are good; and the manufacturing is good; the mining is good; the nuclear activity is good. You said yes to all of those, and then we asked you but why not here in terms of waste management, and you said no but you never answered why.

So obviously you must think there's some hidden agenda and the hidden agenda is getting into the minds of an NDP cabinet minister in confidence. The public won't have confidence. You've got to explain why you said no because we can't find a reason. It's not for environmental, geological, panel, research. You just said no.

So if there's no other answer other than it's just no from you, then we've got to assume that you've got some hidden agenda, or some other reason, or the industry is going to say, well what are they all about. What is the logic? And if there isn't any logic, that's fine, we'll just leave it at that and it'll be one more chapter -- as I saw it, Mr. Minister, and I'm sure you're aware in

1982 and I certainly saw prior to that -- where it didn't make sense and people threw up their hands. And you're digging yourself into that same hole.

There's no logic. It doesn't follow. So you summarized . . . we can't find a single reason for you to say no but you've said no. And if that's all you can give us, then fair enough. I mean you've said no to this industry -- you'll say yes to gambling, you'll say yes to casinos -- you won't do due diligence worth a diddle. None. Unbelievable. Getting into all kinds of things but all of a sudden you say no to this.

Well, Mr. Minister, I'm prepared to move on but I'm just for the record going to state: we can't in this House find one reason why you have said no to waste management, research, direction, in the province of Saskatchewan. None.

So fair enough, but I guess I go back to our initial contact here when we were going at your estimates before. If you said the development is going to be based on confidence, show me why your decision to say no should generate any confidence in investors in the nuclear industry in the province of Saskatchewan.

Hon. Mr. Anguish: -- Well the facts don't bear out your assertion. And while I'm dealing with facts, the investor confidence in Saskatchewan is very high at the present time, both in mining and the oil and gas sector.

Mr. Devine: -- Mr. Minister, there is confidence in investing based on policies that have stayed open -- open to business, open to the outside world. People can invest in oil and gas. In fact, it's publicly traded. People can invest in the potash industry because it's publicly traded. People can invest in the paper industry because it's privatized. People can invest in fertilizer; in fact you're in business with a very large multinational in fertilizer. Huge investments in pulp and paper, oil, gas, processing, manufacturing -- because you're open.

All you've done in this situation is you've closed the door. And we want to know why, in this huge potential, did you say no. And it's massive. Maybe you don't understand how big it is. The environmental question on managing energy and waste is huge, from carbon based, coal based, nuclear based -- and you've said no. That's a big decision to make and you have no justification.

(2030)

You said investment's good in Saskatchewan. It's good where you've left the door open. You haven't nationalized companies. You've let people trade, they

can invest, and that's what we would entirely recommend. And the same in the uranium mining industry. You've stayed open; you didn't slam the door shut. And you're to be commended for that. All we're asking is why won't you even entertain an invitation for people to come in and study -- on their money, their nickel -- the geology, and the formation, and the potential in case we have the chance here?

Why wouldn't you just do that -- say, we won't participate but come on into the province of Saskatchewan. At least facilitate that as you did with the Research Council or others. Couldn't you at least keep those doors open in terms of knowledge, by inviting people in to do the research, or to look at the geology, or to combine it with AECL and CANDUs and potential countries that are going to buy them? You could do that.

You could go to various countries and say, we'll likely be manufacturing; at the same time we want to do top-notch research. We'll sell to you if you agree to participate in research. A natural joint venture -- really interesting, high level, high technology, lots of jobs, and other people's money. And you said no, can't do that; we'll wait for somebody else to do it.

It makes no sense in an industry this big. This is not just bingo. This is very, very, very large for the future of Saskatchewan. So I'm glad you agree the discussion is relevant. It's very relevant. Again, Mr. Minister, even if you invited people in . . . what if we just make this proposition to you. Would you entertain, or could you take back to your cabinet colleagues . . . We would invite people here to explore the possibilities -- on their money. Could you do that, Mr. Minister?

Hon. Mr. Anguish: -- Well I can offer to the hon. member, is that companies that are interested in the project that you propose, I'd certainly invite you to have them come and see me, and I'll tell them the rationale for our answer no.

Mr. Devine: -- Could you tell me the rationale for the answer no, if it's on their money, doing the research that is parallel with the CANDUs that you were doing the research on? Could you describe to me, and to them now, why you say no to that research funded by the private sector or another country?

Hon. Mr. Anguish: -- I have told you. I just think they'd understand it better.

Mr. Devine: -- Well you haven't come up with one answer. It isn't for geological reasons, economic reasons, environmental reasons. What's the reason that you say no to this huge technology? Just the research here, inviting them to come in here and do research, what's the reason?

Hon. Mr. Anguish: -- Come on, I thought a deal's a deal. I told you I'd invite them here, and I'll tell them why the answer's no, and they'll understand better than you have this evening.

Mr. Devine: -- Mr. Minister, a smart-alec answer isn't going to get you any place. The members opposite can think that the . . . I mean this minister's got himself in trouble before, and if that's all you've got left -
_ if that's all you've got left is to provide kind of a smart-alec answer to the industry and say, I'll tell them no and they'll

figure it out -- I mean that is not going to generate confidence.

And that's all I wanted out of you. Because eventually that's what it gets down to. Just a knee-jerk reaction, no it doesn't count, you're not relevant. You can't even come in on an invitational basis.

I'll leave it at that, Mr. Minister. I think you've just said everything there is to say about your attitude in the industry and what you think of them. And what you think, frankly, of just legitimate questions about a very important industry. That you will not come up with one single answer in justification for your no. Even when it makes it as simple as say, come in on your money, Mr. Man from Germany, or Mr. Company from Japan, or some place else.

So fair enough, Mr. Minister. I think I've got enough from your answers to provide anybody who has any interest in coming in here to participate in that industry to know exactly why the NDP historically has the record it does in economic development and in energy, and we all know what it is. And you haven't done precious little to change that; in fact you've made it worse.

Mr. Minister, is it true that SaskPower has made the decision to expand internationally in the provision of energy and/or technology?

Hon. Mr. Anguish: -- Well I want to first deal with the earlier part of your statement. I'm not providing you with any smart-alec answer. If you know people who are interested in that topic that we were exploring earlier, tell them to come and see me in Saskatchewan, and I will explain to them why the answer is no. I've explained it to you tonight, and I think you refuse to listen and to understand it.

I think you don't know anybody who's interested to come into Saskatchewan and make that kind of investment in any event. If you do, my challenge to you is: you invite them to come and see me, and we'll have a discussion in my office with them, and they will understand why the answer is no from Saskatchewan. There's nothing smart alec about that.

And in terms of me being in trouble before, I wouldn't view it as being in trouble. I can understand people who sometimes get irritated with me, but I guess that's why they pay you the big bucks to be in cabinet, is come sometimes you've got to make decisions that don't make everybody happy, especially during times after you've been in government in Saskatchewan and left the mess that if I was you I'd be ashamed to even show my face in this legislature -- the mess that you left that other people have to come along and clean up.

That's why there's tough decisions. That's why you

interpret me as being in trouble sometimes, but I don't view it as being in trouble. That's why I'm part of the cabinet: to make tough decisions, decisions that are even tougher because of the mess you left us in because your cabinet wouldn't make the tough decisions that were necessary. So I want to just have that clear on the record. I'm not being smart alec with you. I have never been more serious in my life with you.

In terms of SaskPower expanding internationally, no that decision has not been made. What's happening at SaskPower is that they view there is being some international opportunities, some opportunities in other provinces in Canada to sell our technology and our expertise, our technological expertise at SaskPower. And what's going to happen is that for a very short period of time there will be a business plan put together. The business plan will identify what the expertise is that we have to sell, what the countries or other provinces are that require the expertise, and further, which countries or other provinces can afford the expertise that we have.

If that business plan makes sense, then we will have some commercial interests in SaskPower that go beyond the boundaries of Saskatchewan. If the business plan does not make sense, we will not expand beyond the boundaries of Saskatchewan.

Mr. Devine: -- Well, Mr. Minister, you're saying that . . . well, I'm quoting from the newspaper, but it's an interview with the head of SaskPower, and it's saying that:

. . . SaskPower must start acting more like a private business in a variety of ways . . . On the one hand . . . establishing a new subsidiary to sell technology and expertise to other countries . . . the company must gear up to look for niche export markets.

Now you're saying, Mr. Minister, on one hand, your Crown corporation and Energy is going to look internationally and be in the export business as a Crown corporation based on the reputation of an NDP administration, and out there competing internationally, at the same time when you said no, we won't allow certain kinds of companies and certain kinds of research to take place in the province of Saskatchewan.

And no justification. None. You just slammed close the door and say no. And no justification even here in the legislature. And you expect other provinces and other jurisdictions and other places around the world . . . This . . . (inaudible) . . . goes back to why Allan Blakeney got in trouble, exactly. Because you would nationalize a company internally, and then you turn around and then you'd expect to compete internationally.

It's like SGI (Saskatchewan Government Insurance) -- what you're doing now. You have monopoly rates and a monopoly here, and you go try to compete in other jurisdictions. With monopoly power, monopoly profits, and then you try to compete in other jurisdictions. And people obviously think that it's a little odd, that you're going to use the monopolies to gain money here, rip off people -- I mean utility rates, people think it's a rip-off these days, SaskPower, SaskTel, SGI -- and then you're going to go in other jurisdictions and say, but let us compete. We're allowed to go over here and go over there, and so forth.

Is that a fair description of the philosophy that you have that you think that your monopoly, SaskPower, can compete internationally without subsidy, and you're not going to be called on it for cross-subsidization or deep pocket financing of various kinds of projects.

Hon. Mr. Anguish: -- As I said to the hon. member, the initial stage is to draw up a business plan. If it makes some sense, if they can convince the board and the board convinced the cabinet, then there will be some interest pursued outside of our own boundaries. I would want to point out we are well aware there are some very, very big players as electrical utilities in the international market-place. We have no intention of going head-on, trying to get into their business out there.

There are also some niche markets that we think we can take advantage of. There are some places in the world which are starved for the technological expertise that we have within SaskPower. They may or may not be able to pay for that expertise. This is very short term.

Look at the business opportunities. If they make sense, then they should get out there and pursue those opportunities -- not, as you assert, to draw from Saskatchewan taxpayers and ratepayers, to squander in the international community; just the reverse of that. Because of the rates and the taxes that Saskatchewan people have paid, we have some very good expertise within our utilities in Saskatchewan. It's time now, if the opportunities exist, for the people of Saskatchewan to get some return on their investment from the technological expertise that has been built up.

You have many inaccuracies in your arguments, hon. member. One is when you talk about the monopoly of SGI in Saskatchewan. I would beg to differ with you and so would, I think, Saskatchewan Mutual; Mennonite Mutual; Royal Insurance; all the other companies that do business in a competitive market with Saskatchewan Government Insurance in Saskatchewan. I think you should correct your facts on what you place before this legislature and not use inaccuracies to try and bolster your own faulty arguments.

Mr. Devine: -- You may not want to answer this, Mr. Minister, but can anybody else provide auto insurance in Saskatchewan except SGI?

Hon. Mr. Anguish: -- No. Can anyone else provide commercial insurance? Yes. Can anyone else provide

liability insurance? Yes. Can anybody else provide property insurance, residential, farms, auto liability? The answer is yes. So let's just look at the facts. SGI, for the largest part of their book of business, deal in the competitive market in Saskatchewan, and deal very well in the competitive market. They have a monopoly on that one sector and you know very well why they have a monopoly in that one particular sector.

I just wanted to point out that you should use some accuracy in your arguments and not slant the case to present an argument which otherwise would be faulty. When you talk about the inaccuracies you place forward about SaskPower Commercial that is being proposed to be on an international market, we don't know that yet.

If you ask me that question six months from now, I'll either tell you that SaskPower is operating in the international or at least the markets beyond our borders, or they're not operating in the markets beyond our borders because it doesn't make sense to operate in the markets beyond our borders. At the present time, I don't know that, but I've seen the business plan put together with the items of particular concern which I mentioned to you earlier in addressing your question.

Mr. Devine: -- Mr. Minister, you have no philosophical problem with a monopoly from another province, say Manitoba Hydro or a telephone company run by a province, coming in and taking business here in Saskatchewan when it is operating in another jurisdiction with a monopoly, and SaskTel has a monopoly on telephones here. Correct? SGI has a monopoly on automobile insurance here. SaskPower has a monopoly on power. So if another power company comes in here to compete, like Manitoba Hydro, and you don't know in how deep their pockets are -- you know that they may have monopoly profit -- that's okay with you. So philosophically you're fine when government monopolies from another jurisdiction come in here and try to take business.

Hon. Mr. Anguish: -- Well the member would well know that all of our Crowns, I think, would be wise to get prepared for a market-driven economy in which has traditionally been a monopoly. If we look at the CRTC (Canadian Radio-television and Telecommunications Commission) decision over competition within Saskatchewan where other companies come in and use our hardware at what we would view as preferential rates, don't think that can't happen with our pipelines and with our transmission lines in terms of electricity. That, depending on what the federal government does, will in fact be happening in the future under the markets that are currently being set because of a number of things which we have no control over at this point in time. You know yourself we're moving into a global economy, and I could not object if the situation you said was to happen.

As long as we have a franchise, I will fight my best. I'm bound by my obligations to the Crown to protect the franchise of the corporations that I represent. If in fact there is regulation or deregulation, depending which side of it you're on, that allows that to happen, I have a responsibility, as a minister of the Crown, to make sure that those corporate utilities that we have now that have monopolies in Saskatchewan are able to compete in the market-place. I think they're very welcome, capable of competing in the market-place. They're getting prepared to

compete in the market-place, and they will compete in the market-place.

(2045)

Part of that is them showing us that they can go into the international markets or markets beyond the Saskatchewan boundary and do very well, as SaskTel has in getting prepared for the market-driven economy that they're going to have to go into because of NAFTA (North American Free Trade Agreement), because of the Free Trade Agreement, because of many things that are already there with us, facing us in the province of Saskatchewan.

We're prepared, as a government, to deal with that. You look at the contract that SaskTel did in the Philippines, successful contract brought back a return to the people of the province of Saskatchewan. You look at the Chunnel project that SaskTel's involved in. That will bring a return back to us. International competition for Saskatchewan technology is the best it can be anywhere in the world.

If we can prove that same thing at SaskPower, I think it's to the good of the people of the province of Saskatchewan. And it's good for SaskPower because of the competition that they'll have to face in future years down the road because of many of the deals that you participated in such as NAFTA and the Free Trade Agreement that have put us into a position where we have to compete.

Again I repeat, we're capable of competing. We're competent. We're professional. And we have in terms of our utilities, all of them, state-of-the-art technology and state-of-the-art employees with the best minds you can find anywhere on the continent or possibly throughout the world and we can compete given the opportunity.

The business plan will be put together. We'll either show we can do that at SaskPower or we can't do that, and that's a decision that'll be made in the near future.

Mr. Devine: -- Well, Mr. Minister, it says here in the paper that we may have to be able to take on the competition that could come in here with . . . and I quote:

The possibility also exists that other power companies might soon be able to gain access to the Saskatchewan market, using SaskPower's transmission lines . . .

This practice has become common in the U.S.

through de-regulation, and there's nothing to stop a competitor from launching a . . . challenge to gain access (to this market) . . .

Now you've talked about the global economy and competition and we got to meet it. Are you saying that you understand that there is global competition and regional competition and this is going to take place between utilities -- private and public -- and that you're going to have to meet that competition?

Secondly, are you saying that if people could provide lower priced services here in Saskatchewan from other jurisdictions that you would let that happen? That SaskPower or SaskTel or SGI would have to compete with those other people who are coming in here to provide that service at a lower cost to the public?

Hon. Mr. Anguish: -- Well you warped my words a little. What we're saying is that there's federal regulatory agencies in Canada: CRTC has jurisdiction over communications; the NEB, National Energy Board, has authority over electricity and natural gas, the energy components. And if the National Energy Board says that there's going to be open competition in Saskatchewan as they've said with SaskTel, a couple of years down the road that's going to be the case, then we have to accept that. Otherwise we don't accept the laws of Canada.

In the meantime, if somebody from somewhere wants to wheel some cheap electricity in here that's temporary, and we don't know how secure it is to them, I'm going to fight that. I'm going to fight that because I have a mandate by the province of Saskatchewan to enforce the legislative authority of the utilities and I will fight to maintain that legislative authority that's put into place by statute of this House. If you don't like it, change the statute in the House. Don't ask me to arbitrarily change the laws of the province of Saskatchewan, because I won't do that. I respect the law.

If the federal government, through their regulatory agencies, move into the National Energy Board and say that there is going to be other competitors in the market-place of energy in Saskatchewan, I have to accept that because that's the federal law and I respect the law.

What I do have to do in the meantime is anticipate that some day that may happen. Anticipating that some day that may happen, I have to work with the officials at SaskPower and SaskEnergy to ensure that they're able to survive in a market-driven economy which they're not totally exposed to right now.

And part of this exercise, in terms of the business plan for SaskPower to go beyond our borders, is part of the preparatory work of getting ready for a market-driven economy. Whether that comes two years down the road or 20 years down the road, I believe, as the president of SaskPower does, we have to at least prepare for that. But it will be rational, it will be planned, and it will make common sense. Otherwise we won't do it.

Mr. Devine: -- That's kind of interesting, Mr. Minister. You're going to be prepared and do the due diligence and all those things to survive in a market-driven economy down the road in case it comes along and you're quite prepared to do that in

SaskPower, but you're not prepared to do that in the nuclear industry. I mean just the due diligence, just be prepared, just be there. I mean the inconsistency in your arguments tonight are . . . well, not surprising, but you haven't changed.

So you're saying, Mr. Minister, that you are going to be prepared to meet a market-driven economy, and if that's the case, other people down the road could come in and can compete in providing electricity or other sources of utilities here in the province of Saskatchewan, and that may be the long-run way things work, that you'll have to compete in telephones and compete in power and compete in utilities, compete in services, maybe even compete in automobile insurance if people can come in and provide that insurance cheaper than you can provide it now.

So you're saying in the energy business you're fully prepared to meet that competition, and in fact it looks like that you may have to be able to survive in a market-driven economy here in North America on an energy basis. And you're getting prepared for that.

Hon. Mr. Anguish: -- Yes, we're preparing for that.

Mr. Devine: -- Mr. Minister, if you're prepared being . . . getting prepared for that, what do you think will happen to and what's the role of monopolies in a jurisdiction like this under those conditions?

Hon. Mr. Anguish: -- The role of the monopoly is usually defined by the federal regulatory authority. In this case it would be the National Energy Board. And I think they've quite clearly defined the role of SaskTel from CRTC, and I would have to assume that the National Energy Board would do the same thing. And the role of the monopoly is to view that they no longer have a monopoly, and therefore you deal with market-driven economy.

And I'm confident that our utilities -- SaskTel, SaskPower, SaskEnergy; and SaskPower and SaskEnergy being the two I'm responsible for -- I believe that they have the expertise, they have the knowledge, they have the staff, they have the know-how to compete in a market-driven economy. We just have to fine tune that a bit to make sure that they're prepared for whenever that comes. Part of that preparation is going beyond our borders, and I've already told you about the business plan and the components that have to be in there.

Mr. Devine: -- Mr. Minister, what I'm asking you to consider is, in the event that Mr. Messer is right and you are right, that you're going to compete internationally -- and indeed people will come in here as we get ready to survive in a market-driven

economy, and provide services here in the areas where we have monopolies, and we're going to have to compete with that -- then if there are alternate sources of those services, by definition we don't have a monopoly. Is that true?

If the consumer can get alternate sources of auto insurance or power or electricity or telephone service under the national scheme of things, whether it's the National Energy Board or the CRTC, then if there's alternatives -- which means there's more than one -- there's no monopoly. Is that correct?

Hon. Mr. Anguish: -- Not necessarily. I think the hon. member makes the assumption that in a deregulated state of affairs that there is no role whatsoever for monopolies. Well that's not the case. There are roles where it doesn't make sense, for example our pipeline system deregulated. There's a monopoly on our pipeline system, and not ours I'm saying as a provincial government, but there is a monopoly designed into the pipeline system in Canada. So you're making a purist sort of argument from the most extreme view from where monopoly would be, saying that . . . At least that you seem to be making the assertion that monopoly never has any role ever in deregulated economy.

Well there are instances where a monopoly does have a role in a deregulated economy. What that role is remains to be defined in some cases. For example, right now . . . (inaudible interjection) . . . Well just hold on to your enthusiasm for a moment. For example, right now there's deregulated gas in Saskatchewan. The industrial consumers today do not have to buy their gas from SaskEnergy. They can buy it from gas brokers. They can buy it on the open market. Where the role of the monopoly is involved in these cases is that we have the pipeline system to get the gas to the burner tip where they want to use it. And the monopoly makes some sense in cases where you have services you want to provide, but it doesn't provide an immediate profit to provide those services.

If you went and looked at the original electrification of the province of Saskatchewan, if that was left to the private sector there'd still be farms in Saskatchewan that wouldn't have electricity today. They do because the utility that had the monopoly had a mandate to provide that electricity to them. And so that came about.

So yes, there is a role for monopolies even in a deregulated economy. It can happen in SaskTel, SaskPower, SaskEnergy. It can happen in communications or the energy sector.

Mr. Devine: -- Well, Mr. Minister, I'm not sure you know what a monopoly is by your answer. You're just all over the place. What I'm after is . . . if you're the Minister of Energy, people are complaining by the monopoly rates -- they are high energy rates -- and you're saying you're getting ready to survive in a market-driven economy, will you allow alternatives to come into the market and provide energy at lower rates particularly, let's say, in electricity? Will you allow that to happen?

Because people might see that as interesting news, if they could get lower rates as it says in the paper. You're going to have to compete. Are you going to match those rates, as those electrical sources come in here because you're about to go to other jurisdictions, according to you, and compete on

technology and all kinds of provisions. So if Manitoba Hydro or some other utility decides in a market-driven economy which you've just spent a half an hour talking about . . . allows people to come in here and provide lower energy rates, you'll say that's okay. We're in a market-driven economy; we'll have to compete with that which means one of two things.

Either you can change customers which means you don't have a monopoly, or the monopoly rate has to come down to meet the competition. Now both of those would be really interesting to the consumer in Saskatchewan that has certainly been gouged in the last couple of years. And you're saying you're going to be open to market-driven realities. Now that'll only mean one thing: lower rates. That's what it means.

And if it doesn't mean lower rates, then how are you going to go compete in other jurisdictions unless you're going to provide lower competition in other jurisdictions? Why should they buy SaskPower's anything? And if you're just going to throw them technology . . . that isn't what he's talking about here in the paper. What the president is talking about, and I'm asking you about, is the international and interprovincial and interregional competition in energy sources. What's the role of the monopoly, and will you allow the Saskatchewan consumer to pick up the benefits of those lower costs and those lower prices? That's the question.

(2100)

Hon. Mr. Anguish: -- Both in gas and electricity, people in Saskatchewan have options now. Any company that wants to in Saskatchewan can self-generate. Some companies do. Any customer wants to buy gas from someone other than SaskEnergy can do it. Some do; some don't. We compete.

The initial stages of SaskPower moving beyond our borders is not to sell the electrons going through a line. It's to sell the expertise within SaskPower. And incidentally, that's happened from time to time now, where Alberta or British Columbia will phone and ask for our help at SaskPower for some specific problem, and we help them with it. What we're talking about is the technical expertise that can be marketed beyond our borders. When the business plan is done, we'll make a determination how great that is. And if it doesn't return a benefit to the people of the province of Saskatchewan, we're not doing it.

Mr. Devine: -- That's fair enough, Mr. Minister. I'm just exploring what it says here, that I'm sure you agree, because you've talked about being competitive in a market-driven economy.

It says here: SaskPower for example traded electricity or provided electricity of British Columbia. Alternatively the possibility exists that electricity could come in here, and we might have to compete with it.

This practice has become common in the U.S. through deregulation, and there's nothing to stop a competitor from launching a court challenge to gain access here . . .

Which means they can use our power lines. That's what he's talking about.

Now if that's the case, Mr. Minister, it means that there is the potential that alternative sources of power could use our lines and come in and compete here. If that's true, I just want you to acknowledge that that's what that means or explain to me what it means or doesn't mean, and that could lead to lower priced electricity for the people of Saskatchewan -- farms, homes, and industry -- because of the global market which you say you're getting ready to compete in.

So that's an interesting development given the fact you have a monopoly and you're prepared to let other companies compete against that monopoly and either let alternative sources come in or drop the monopoly price so the consumer gets the benefit.

Now that's a big decision for you to make and I'd just like to know that you understand what that means in terms of the monopoly power, because you no longer will set the rate. That's what that says. You won't set the rate, the competition will set the rate, and they can launch a court challenge to come in and use these lines and provide alternative sources of electricity at lower rates because you can't compete or else you'll have to match that. Then if you enter international competition they'll question whether you're subsidizing that. And monopolies get into all kinds of problems if you enter international competition, particularly in a free trade zone.

So do you really know what this means, or does the president of Power, or do you understand what the consequences are of opening up yourself or of a monopoly to international competition? It's fine to go peddle a little bit of technology but do you understand what it means if you open your doors to their high-tech electrical production and marketing that could lower the prices here? And I'm sure that the consumers and businesses would be quite interested.

Do you agree with this? Do you understand this? And what implications does it have for prices in Saskatchewan in the event that you're under, as you say, market-driven economy that you have to compete with as described here by Messer and yourself?

Hon. Mr. Anguish: -- Well we'll see what happens in a market-driven economy when it happens. I understand the implications of what's being proposed in the article that you keep quoting from. And what I'm saying to you is that the first thing that has to happen is that there has to be a business plan put in place, and if that makes sense, we're going to do it. And if it doesn't make sense, we're not going to do it. We can't make that determination, how far we're going to go at this point in time, because we have to have a plan under which we're going to do it.

Mr. Devine: -- Mr. Minister, you obviously didn't understand the point here. What if other companies try to come into the province of Saskatchewan and are successful and provide electricity over our lines at lower rates? What's the implication of that to SaskPower?

Hon. Mr. Anguish: -- Well if we go by the example of deregulation of gas that happened back in what, 1988 . . . '86. World well prices dropped, now prices have shot back up. So the market predicts what's going to happen under that situation and you don't know, I don't know, nobody knows. That's the law of supply and demand in the market-driven economy.

And to speculate on that, you'd be as well to speculate like they did in the '70s on the price of oil, when they were speculating oil would hit \$90 a barrel. Where is it today? It never hit anywhere close to \$90 a barrel. Now we're down to, some days, around \$14 a barrel, \$15 a barrel. So don't ask me to speculate on the exact cost implications, because it's not possible to do that, and the member knows very well that to be the case.

Mr. Devine: -- Mr. Minister, I guess what we want to know is, are you prepared to meet a market-driven economy, as a cabinet minister? Is the NDP government prepared to say to the consumers of Saskatchewan, we will compete on power rates with anybody else that can get power here? Yes or no.

Hon. Mr. Anguish: -- We are preparing for a market-driven economy that may happen some time down the road, it may not happen down the road. I believe it will happen down the road. We are preparing for a market-driven economy and I firmly believe, when the market economy does arrive -- if it arrives -- we'll be able to compete.

Mr. Devine: -- Thank you, Mr. Minister. I agree with you. I think that it is here and it will happen. So what that says is, if this is going to happen, is that Saskatchewan's monopolies lose their monopoly power because you're going to have to adjust your rates to meet the competition. So if that's the case, the consumer can look forward to interprovincial or interregional competition on energy, which could lower rates. So what it means, if the cabinet says the rate is X on SaskPower, it could in fact be something else. So would you acknowledge that could lead to . . . Well if the other member wants to respond, he can. I just want the minister to address the question.

Does that mean that the consumers . . . would you acknowledge the consumers could look at lower rates if SaskPower has to meet the competition that comes in, and in fact the monopoly rate, the rate increase set by cabinet as it is today, would not mean very much if you have to compete on a day-to-day basis with

interprovincial or interregional competition? And would that mean that the power to have a monopoly in SaskPower is virtually eliminated?

Hon. Mr. Anguish: -- Well I believe that we can compete. We're getting prepared to compete. And I think the Saskatchewan people get quite a good deal for the rates that they pay. The last increase for SaskEnergy was the second lowest anywhere in Canada, maybe in North America. We have the second-lowest gas rates, and we're also very favourable to other jurisdictions in our incremental rates for generation at SaskPower, very favourable. There are some advantages in neighbouring provinces because of the situation in Manitoba where their hydrology-supported generating stations run at a very low cost. But over the whole stream of things, we're very favourable. And as we look towards the market-driven economy, if in fact it does happen, we will be able to compete. I'm confident of that.

Mr. Devine: -- Mr. Minister, I suspect you will. I'm just asking, is it true that if somebody comes in and provides lower priced power that you'll have to drop your rate or else lose the market to somebody else? And if that's the case, isn't it also true that you've lost your monopoly power over price setting? And if it's true, then it'd be interesting for the public to know that the utilities are going to go to a market-driven economy and you've lost your power in cabinet to keep raising rates. Isn't that a fact?

Hon. Mr. Anguish: -- No that's not a fact. One of the reasons that people like to deal with SaskPower is reliability of the product. And I would suspect that if they -- in your hypothetical situation that you're trying to dream up down the road somewhere -- that if a competitor came in, was generating somewhere else, was selling electricity to a customer in Saskatchewan and for some reason their generating source went down, those people would look quite favourably to coming back on SaskPower because of our extensive network.

And there's not just the isolation of rates alone. There's the reliability of the product, and SaskPower has been very reliable. Your hypothetical situation does not mean because of competition coming in from elsewhere that the rates would be lower. You're making a very dangerous assumption on that. That may be the case, but it quite well may not be the case either.

Mr. Devine: -- Mr. Minister, I didn't write the story, and I didn't do the interview. It was SaskPower that did. Mr. Messer did, and he's talked with cabinet. Cabinet's considering it. The cabinet should agree with this etc., etc. Then this is the place.

Well all I'm asking is your view and the cabinet's view, if there's alternate sources of energy as he described that could apply to use SaskPower's line to bring it to my house or to my farm or to your place. Then they're going to be probably allowed to do that in a market-driven economy which means SaskPower ought to drop its rates, or somebody else gets in here with lower rates which means the public could look at a competitive market-place for electricity. Well that would be very interesting.

Now it's your article. It's SaskPower's article. You're the

Minister of Energy. That means that you will provide the consumer with an opportunity to in fact even invite others to provide electricity through the lines here which is pretty interesting, particularly when you get the big energy users in manufacturing and processing and industry. They are going to -- I'll bet IPSCO or somebody else -- solicit people and look for people to provide competitive electrical rates because the monopoly is gone.

Now that's an interesting phenomena because it's been raised here, so I've just again . . . Is it true that under these market-driven economies that you're talking about and these circumstances that the monopoly power would not be there, and in fact rates could fall to meet the competition?

Hon. Mr. Anguish: -- We're not in a market-driven economy. It may happen. It may not happen. We're preparing for it to happen. I don't necessarily accept your assumption that rates will fall under a market-driven economy.

Mr. Devine: -- Well you've professed to know something about a market-driven economy. Who gets the business, the higher priced or the lower priced if you look at a demand curve? See you don't have a monopoly any more.

Hon. Mr. Anguish: -- The most reliable company gets the business.

Mr. Devine: -- Mr. Minister, you don't have to get short. You don't have to get . . . Mr. Minister, we are asking you to explain the policy. You didn't do it under the nuclear. You haven't done the co-generation, and you're a long ways from it here in electricity.

You're into a market-driven economy, and you don't know what it means. You think prices are going to go up in a market-driven economy. What this means is . . . and you said you probably can't compete which means you're going to have to provide the service and the continuity, but probably at a lower price. That means the monopoly has lost its monopoly power which could be really interesting. So I'll leave it at that. You don't seem to understand it. I guess it's Mr. Messer's concept that he'll run by the rest of the cabinet.

Market-driven economy means that you'll have to compete on this which means that you'll have lower prices. And I think the public would be delighted knowing that you wouldn't have the ability to set the rate, that you had other alternatives for utility rates.

Mr. Minister, the Saskatchewan Energy Conservation and Development Authority got about a million and a half dollars last year, and I think it's about to get a million and half dollars this year. About \$3 million it's

going to spend. Can you tell me what we sort of got ready to go here with that authority for \$3 million and in terms of . . . You can add any light to the options here in the province of Saskatchewan for \$3 million. I mean we can go over the objectives of it and the *raison d'être*, but just give me a thumbnail sketch of what . . . what's the public got so far for \$3 million that we didn't have before?

(2115)

Hon. Mr. Anguish: -- First, to address the first part of your remarks on the assumption that in a market-driven economy that the electrical rates would go down, there are many examples that prove this not to be the case. In Great Britain, for example, where the utility was privatized, became a market-driven circumstance, the rates actually went up. So it's a very dangerous assumption you make, first off, to say I don't know what I'm talking about; and secondly, to show people that you don't know what you're talking about. Because in the situation in Britain when the privatization and the market-driven economy came along, the rates did actually increase, not decrease.

The Saskatchewan Energy Conservation and Development Authority have a number of things that are under way at the present time. The greatest emphasis of their work currently has been on the energy options review for Saskatchewan, and it's not a high-profile public process, but what it is is it's setting the stage for the public process in creating the comprehensive energy strategy. The comprehensive energy strategy has a component called electrical options review and that is being done by the Saskatchewan Energy Conservation Development Authority. That report will come onto my desk in the summer of this year, the summer of 1994, and then the focus of the work of the Authority will switch. But that's been the major focus of their work until this point in time, amongst other activities.

Mr. Devine: -- Mr. Minister, you're saying that, to date, with this \$3 million, they are going to put on your desk a comprehensive electrical strategy. Did I get that right? For this summer -- and a review?

Hon. Mr. Anguish: -- What will arrive on my desk in the summer of this year -- the summer of 1994 -- is a paper, a document, that is called the comprehensive energy strategy. Part of the comprehensive energy strategy will deal with electrical options for Saskatchewan in the future. The electrical options review is being done by the Saskatchewan Energy Conservation and Development Authority. It's part of that report. It's been very time consuming for them to this point in time, but once that's done, the focus of their work will change into other areas.

Mr. Devine: -- All right, so this comprehensive energy strategy, the first part of it, will focus on electrical options. And that's what'll go on your desk?

Hon. Mr. Anguish: -- No, just very clearly, what's going to arrive on my desk is called the comprehensive energy strategy. It deals with energy. I mean traditionally throughout North America we've viewed commodities as different types of energy, electricity, oil, gas. We want to start looking at energy.

So the report that I receive is called the comprehensive energy strategy. One component of many components within the comprehensive energy strategy is an electrical options review -- as to how we generate electricity into the future and what those options are. That will be one section of the comprehensive energy strategy.

The electrical options review is being done by Saskatchewan Energy and Conservation Development Authority. That is taking up the major portion of their time currently. Once they've completed that then they will be doing other things that fit within their mandate.

Mr. Devine: -- It is a little confusing, Mr. Minister. Are you telling me that the other components are not done? You say that there's several components of the comprehensive energy strategy. The first is the electrical options review. Right? Now, there are other components. Are there half a dozen other components? Are they going to be ready in July? Or is the Authority just looking at the electrical options review? Have they hired out and tendered out other components that you're going to hear about? Or do we just have the one component -- the electrical option review?

I'm just asking because they spent quite a bit of money here. We'd like to know what we're going to get in July. The whole load? Are we going to get the first component? Are we going to get six of them?

Hon. Mr. Anguish: -- The comprehensive energy strategy deals with all aspects of energy -- how we generate it, how we use it, how we conserve it. So the comprehensive energy strategy will be encompassing the energy issue. Again, how we generate it, how we use it, how we conserve it, and the economic development opportunities that go along with it. That's all part of the comprehensive energy strategy.

There'll be a report on my desk on the comprehensive energy strategy, not just electrical options, but an encompassing report on energy and how it pertains in the Saskatchewan context. From there, over a period of months, we will develop programs and policy of government that look at the energy requirements for Saskatchewan; that look at how we generate our electricity; that look at how we use our electricity and energy; and how we conserve or how we do demand-side management within the province; look at what the economic development opportunities are in the field of energy. There'll be public input into that. And so we want to set a direction that's long term, planned, and to the economic and security benefit of people within the province.

The electrical options review is just one small part of that, but nevertheless a major part of that. It's the Energy Authority that will be doing that component of the comprehensive energy strategy. There are other

government departments and other government agencies and crowns that are involved in certain aspects of the comprehensive energy strategy. They will be involved in drafting the document that's to arrive on my desk in the summer of '94. The lead department for making that happen is the Department of Energy and Mines or Sask Energy and Mines.

Mr. Devine: -- Okay. So maybe I could ask you to just very briefly list the companion departments or Crown corporations or others that are doing the research on this comprehensive energy strategy and sort of who's doing what. And secondly are there major private sector participants that you've tendered out some of the research for because if the electrical options review is done by the Authority then they're pretty well tied up, I would gather.

So who's doing the rest of it, what departments, and just give me, in a general sense, who is responsible for what in terms of generation of . . . how we generate electricity, the use of conservation, the economies, and so forth. That's . . . you farmed . . . you must have farmed some of it out, as you suggest. Who's got it? And who's responsible for the major components?

Hon. Mr. Anguish: -- There's a cabinet committee on energy composed of the ministers of Energy and Mines, that's me, Economic Development, and Environment and Resource Management to oversee the strategy, development, and implementation. The cabinet committee is supported by a steering committee of senior officials from Energy and Mines, SaskEnergy, SaskPower, Executive Council, Environment and Resource Management, Saskatchewan Energy Conservation and Development Authority, Economic Development, and Crown Investments Corporation. In terms of their responsibilities, the framework document is the responsibility of Energy and Mines. And when I mention the lead agency, it doesn't mean that they do all of the work. It means that they're responsible and that's who ultimately has the responsibility of getting the job done in that particular sector . . . or section -- sorry.

And resource development, the oil side for royalty and taxation and regulatory review, it's jointly done by industry and the Sask Energy and Mines task force. The heavy oil strategy is being done by Saskatchewan Energy and Mines; the oil markets are being done by Saskatchewan Energy and Mines; and the light oil strategy is done by Saskatchewan Energy and Mines.

Under the resource development oil section, there is a part on technology. The research and development section is done by Energy and Mines and Economic Development. The section on horizontal wells is done by Energy and Mines. The section on carbon dioxide recovery and utilization is done by Energy and Mines and SaskPower. Under natural gas, the royalty and taxation and regulatory review is being done by a joint industry-Sask Energy and Mines task force. In the area of coal, the resource evaluation, the markets, and the lignite strategy are all done by Saskatchewan Energy and Mines. Renewable and alternate energy, the resource evaluation, the technology is done by Saskatchewan Energy Conservation and Development Authority. The renewable and alternative energy strategy is being done by Saskatchewan Energy and Mines.

Under energy utilization, the forecasting is done . . . when I say done by, I'm talking about the lead agency in each of these cases. Forecasting lead agency is Energy and Mines. Under electricity the demand/supply plan for SaskPower is being led by SaskPower. The review of long-term generating options is done by the Saskatchewan Energy Conservation and Development Authority. And the long-term fuel supply strategy for electrical generation is done by the Department of Energy and Mines.

The interfuel substitution section is done . . . lead agency, Energy and Mines. The conservation efficiency energy potential is done by Saskatchewan Energy Conservation and Development Authority, and the program initiative is done by the interdepartmental energy management task force, which involves several government departments. The technology section is done by Saskatchewan Energy Conservation and Development Authority, and energy conservation strategy is done by Saskatchewan Energy and Mines.

The environment -- firstly, the clean-air strategy -- is done by the Department of Energy and Mines jointly with the Department of Energy . . . or Environment and Resource Management, excuse me.

Sustaining our infrastructure in institutions is done jointly by Saskatchewan Energy and Mines jointly with Crown Investments Corporation. And the comprehensive energy strategy summary report is done by Energy and Mines.

In with those lead agencies, we have various entities participating. I'm happy to say that the steering committee of the overall group is involved. The PACE committee, Provincial Action Committee on the Economy, is involved. Planning and priorities of cabinet will have some input into the framework document, as they should have.

Industry has involvement. The Saskatchewan Research Council has involvement. The Alberta Oil Sands Technology and Research agency will be involved, as well as the National Energy Board will have some involvement in it.

The Crown entities of SaskPower, SaskEnergy will be involved in it. The Geological Survey of Canada will be involved. The Saskatchewan Energy Conservation and Development Authority of course will be involved, as I mentioned earlier.

The Department of Finance will be involved. The Department of Environment and Resource Management will be involved. Consumers will be involved and Saskatchewan Property Management Corporation will be involved and the stakeholder task force will be involved.

And there are likely a few that I've missed, but I hope that's a comprehensive-enough list tonight for the member to understand what's going on with the comprehensive energy strategy. A very important part of that work is the work being done by the Energy Authority, and they're paying particular interest to the electrical options review, which is only one component, nevertheless a very important component of the comprehensive energy strategy which will be laid on my desk in the summer of 1994.

And I'm assured that those targets are going to be met by the officials that we have here tonight, even though they're very pressed with the other duties that are placed upon them to do the due diligence within their departments and other authorities. But they will in fact deliver a comprehensive energy strategy that will guide us in the planning for energy developments and the economic developments that can go along with that into the future of the province of Saskatchewan.

Mr. Toth: -- Thank you, Mr. Chairman. Well, Mr. Minister, you've just given us a litany of a number of studies that are taking place. I guess the question that still arises is, you've delegated \$3 million to be utilized by a department to do a number of studies. Well the department officials are already there. Why do you need an extra \$3 million to enter into studies that are basically comprised of the Department of Energy and Mines?

Hon. Mr. Anguish: -- Well you make a very wrong assumption. The other thing that you do is that you don't assume that anybody else plans just because you didn't when you were in government. You spent \$5 million on GigaText and didn't get nothing out of it. We spent less than \$3 million in this plan and we'll have a comprehensive energy strategy that will guide us long into the future. We're not here to squander money; we're here to spend. So get into the mind-set of the 1990s. Don't be stuck in the past litany of your government.

Some Hon. Members: hear, hear!

Mr. Toth: -- Well thank you, Mr. Minister, for verifying the fact that you're here to spend -- just exactly what you said. And if you want to talk about GigaText, let's go back to Nabu. Let's do some of the research if you want to start talking about computer companies, if you want to get back to the litany of the spending and the fact of where the deficit is, and the fact that your government has hung its hat on a deficit. And you've got people around the province in fact looking at your present piece of legislation today regarding The Labour Standards Act. Mr. Minister, I find it interesting, you talk about the fact of saving money and now all of a sudden you've got a number of comprehensive studies that are taking place within the department.

And I would presume that . . . or assume from the list you gave us a few minutes ago that all of the personnel are there. Why do you need the extra money? They probably have all that information together . . . I mean there already. All the information they're drawing from is probably on their desks, or in the library behind them, from the work they've done over the past maybe 5, 10, 15 years.

Because SaskPower isn't . . . when you look at SaskPower, it

was just, I believe in 1991 where SaskPower was already projecting to the year 1994-95 and the fact of looking ahead to further needs for power, our power needs that they would have to come up with.

So why, all of a sudden, do we need an extra \$3 million to do studies when your department probably has that all there, and the personnel are there no doubt working and have the ability, even right now, just to pull some of the information and place it on your desk as you've indicated by July of this year. Why do you need an extra \$3 million?

Hon. Mr. Anguish: -- Well because we want experts to do expertise work.

An Hon. Member: -- Who are the experts?

Hon. Mr. Anguish: -- Why would you yell from your seat to criticize the professionals that do work for the province of Saskatchewan? I can understand you criticizing me, as a politician, as a fellow politician in this legislature, but why would you have the gall in this legislature to chirp from your seat, to criticize professionals that work for the government department. I think that it's unfair of you. It's unfair of you to do what you're doing, and I think that you should come clean with people, and just because you're grouchy late at night in the legislature, don't try and inflict that upon other people in here.

The money that was used in the first year of operation, in the fiscal year '92-'93, the contracts that were let out from Saskatchewan Energy Conservation and Development Authority totalled \$35,209. It involved six contracts. The rest of the \$300,000 that was used -- not 1.5 million in the first year -- the rest of the \$300,000 that was used was used to provide staff and to set up in the setting up of the operation of the Saskatchewan Energy Conservation Development Authority. In the year '93-'94 which is just concluding at the end of this month, \$630,600 was provided to contract services. That's out of a total budget of \$1.5 million.

These are highly skilled professionals that are contracted to do work that will withstand scrutiny by the public, by this Legislative Assembly, and we need the best experts we can have so that we know how to plan the future of this province, based on the best information available.

Why do you criticize that? I don't understand that for the life of me. So when you talk about this money that you seem to be insinuating that it's being wasted, wait until you see the product. You can ask more detailed questions now. I'd be happy to provide you with the answers to them. But you sit in this House and chirp from your seat about the appropriateness of the

people who do professional contracts for the government and people that are professional employees of the government. Shame on you for taking that approach.

Mr. Toth: -- Mr. Chairman, if there's an individual who has a very childish mode -- I don't know if there's a minister or an individual in this House who has any more significant childish mode. I didn't say anything against the officials. I was asking you who the professionals were and when you talked about . . . you said there are professionals and I agree there's professionals. There's a lot of professionals in the Department of Energy and Mines that have been doing a fair bit of work over the last few years, that have a lot of information available to them, and I would guess that they're involved in this present study that you've laid out for us here.

Talking about in fact . . . in the votes it talks about promoting:

. . . development, application and business opportunities related to new energy conservation, renewable energy technologies, and expanded production and value-added processing of conventional energy resources through research and development. It also evaluates the socio-economic and environmental impacts of long-term electrical generation options.

Mr. Minister, you said that you would give us a breakdown of where the 1.5 or the \$3 million has gone through the last three years. I'm asking you if you would -- now you may not do that -- if you want to send it across to us, a breakdown of where that money is being spent and who it's going to. And whether you want to stand here and go through the process and lay it all out tonight, that's fine. If you want to send it to us that's fair as well.

But we're here to ask some questions on behalf of the Saskatchewan taxpayers and I don't think it's appropriate that we should have to just sit here and take some of the verbal abuse that as a minister you tend to enjoy always handing out every once in a while.

Hon. Mr. Anguish: -- Well I assure the member I only hand out verbal abuse when it's warranted. I find myself to be quite efficient at it because I've had to practise it a number of times especially on the members of your political party.

Just to set the record straight, there is no \$3 million. I tried to explain that to you, if you'd listen to the answers when I provide from your questions. There was \$300,000 in the first year. There was 1.5 million in the second year. That to me adds up to \$1.8 million. That is a long shot from 3 million. So let's just get that on the record first off, that there is no \$3 million that we're talking about.

In the first year of operation, the year that \$300,000 was provided, supplies and services in regard to the office, there was \$122,997. Staff costs \$87,049; board of directors costs, \$32,146; contract services \$35,209; and SRC, Saskatchewan Research Council, administration fee, \$22,599. That makes a total of \$300,000.

In the year 1993-94, that was a \$1.5 million a year. Supplies and services to the office \$155,500; staff costs \$590,400; board

of directors \$18,500; contracts \$630,600; Saskatchewan Research Council administration fee \$105,000.

In some of these companies that you're making disparaging remarks about, I'd like to put their names on the record. One of them contracted was Peat Marwick Stevenson and Kellogg. Cochrane Lavalin was another one. Anderson/Fast; the Saskatchewan Research Council; Simon Fraser University; Cochrane SNC Lavalin; Klohn-Crippen; Zephyr North; University of Regina; Research Council; K. Birch Consulting; the University of Saskatchewan; Calibre Consulting; Energy Research; I. Itani Consulting; Cambrian Monenco; Yoneda & Associates; Cochrane Lavalin; Klohn Leonoff Ltd.; V.H. Nelson & Associates; and K. Birch Consulting.

Those are the companies that have obtained contracts from the Saskatchewan Energy Conservation Development Authority. I think they're credible. I think the employees are credible. And this is where the money has been well spent.

I think that if you had looked towards some anticipation and enthusiasm for when the comprehensive energy strategy is tabled in this legislature, and I'd welcome your input into the public process because I know that you do pay due diligence to the process of this place and the process of government. And I certainly look forward to your input into the comprehensive energy strategy.

Mr. Toth: -- Thank you, Mr. Minister. Mr. Minister, when I am talking of 1.5 million and 1.5 million, I'm talking '93-94. Now you're correct in saying in '92-93, I believe it was \$300 million or \$300,000, pardon me; '93-94 there was another 1.5. Now in this present budget, you're asking for a further allocation, I believe, of 1.5 million. I take it that that is to go towards this further funding towards this study that you're involved in that you plan to have presented to you in July. Is that what the extra funding, the 1.5 in this calendar year is?

Hon. Mr. Anguish: -- No that's incorrect. A very small portion of it would be used for the comprehensive energy strategy but the majority of that would be used for work that stands alone under the mandate of the Saskatchewan Energy Conservation Development Authority -- a major portion of that -- if we look at the economic opportunities associated with the energy strategy in Saskatchewan and how we develop our energy, and how companies will be able to capitalize, so to speak, on the development opportunities that are there.

Another component will be for the Saskatchewan

Energy Conservation and Development Authority to look very strongly at the side of the energy equation which is demand-side management, which can well create more jobs and economic development opportunities than the generating side of it. So the first is to look at the energy options for generation of electricity; then to look at the economic development opportunities that go along with that; and to look at the demand-side management and the opportunities that go along with that. And that will be the major focus once the report is tabled on my desk.

The direct relationship of the Authority will be somewhat less, and we certainly look towards their expertise as time goes on. But certainly a major portion of their budget will not be spent on the comprehensive energy strategy past this point.

Mr. Toth: -- Mr. Minister, when you're looking at energy options, is co-generation one of the energy options that you're continually doing some studying in? And you're quite well aware of the fact, I'm sure, that a number of the submissions that were submitted to your office regarding co-generation were looking at ways of using excessive energy that was just being lost. Like the one from Moosomin, for example, was TCPL (TransCanada Pipelines Ltd.) looking at waste heat from their pumping station. And there were a number of other options. Is that part of some of this development that Sask Energy Conservation and Development Authority is looking into?

Hon. Mr. Anguish: -- When they look at the electrical options review that will be part of the comprehensive energy strategy document, they are looking at all options of generating of electricity, and then looking how they fit into the Saskatchewan context. So yes, they are looking at all options to generate electricity in Saskatchewan.

Mr. Toth: -- So when we talk about all the options thus far, so what you're saying then basically, co-generation is something that is still out there for review. And do you as a minister or does the department or even SaskPower have an idea of when they might take a serious look at getting into some co-gen projects?

Hon. Mr. Anguish: -- Yes, they do.

Mr. Toth: -- Mr. Minister, you also talk about new energy conservation. I think one of the things over the past number of years that's been discussed in the province of Saskatchewan is how we can conserve energy. What has the department done to this date over the last year, year and a half, at different options that are available and working with consumer groups or major companies at finding ways in which we can conserve and how is the department focused on that in getting consumers to join with the department, and with government, in looking at the ways in which we conserve our energy?

(2145)

Hon. Mr. Anguish: -- Well there are many individual pilot projects that have taken place throughout the province, in fact over a number of years. Sometimes non-profit organizations will get involved as the lead agency to do a demand-side management project. Other times it will be the initiative of a

Crown corporation or the department.

What we want to do in terms of putting together the comprehensive energy strategy lasting beyond that is to have one lead department. I think the logical department for that is the Department of Energy and Mines, but it may not be. As we go through the process it may be the Energy Conservation and Development Authority or it may be one of the Crown corporations.

But currently we're in the process of coordinating the work that's going on with different energy players in the province, both in the private sector and the public sector, to get together with what we are capable of doing and where we're going to take this into the future. But my objective is to have one lead agency on the demand-side management aspect.

There is no overall program in the province. That's the second thing that we need once we establish the lead agency, because there should be a program that applies not just in pilot projects but wherever in the province there's a requirement and it fits into the program, we should be able to proceed with some demand-side management work -- whether it's energy audits, or whether it's retrofitting, or whatever the project might be. And so the second part is to develop that plan. And thirdly, is to make sure that we meet the targets that we want to meet in Saskatchewan.

We want to have some 90 megawatts of demand-side management by the end of the decade and that's well within achievability. In fact my personal goal is somewhat more than that, and if we can get everyone working together, and get your support and others within the province, then we'll provide lots of jobs in Saskatchewan through demand-side management and conservation; which actually creates more jobs than the other side of the equation which is the generation of electricity.

Mr. Toth: -- Well, Mr. Minister, what has the department done to date to encourage new energy conservation based on some of the findings they already have before them as to some of the options that are sitting out there? What has the department entered into and what has it done to encourage energy conservation?

I know it's an ongoing dialogue and there's further study that will continue to take place but it would seem to me there must be some options that are already available. And your department must have or must be in the process of looking at some of the options and working with consumer groups, or businesses, or large consumers of energy in defining new ways of saving energy in the province.

Hon. Mr. Anguish: -- Well we've negotiated an efficiency and conservation agreement with the

federal government, in fact with your cousins before they were so soundly trounced at the polls. It's now taken a little bit of time to get that back on track but it is on track with the new federal government. And it's to provide for more efficient program implementation and some cost sharing. One of the major components under the letter is to the creation of an agricultural energy-use database, which we hope to have attracted to the province of Saskatchewan, and we'll invite you all to come to the grand opening of that. I'm sure you'll be interested in attending.

The Department of Energy and Mines and a number of Crown corporations -- probably SaskPower, the Property Management Corporation, and SaskEnergy -- have implemented their own conservation programs, and this is what I referred to earlier, that we'd like to have a lead agency on all of the demand-side management programs that are contained within the government.

Other conservation efficiency issues will be identified in the comprehensive energy strategy, a document that I've also mentioned here this evening. The conservation programs of Saskatchewan Energy and Mines include an assessment of different methods of building energy audits designed to encourage the retrofit of energy-efficient equipment and buildings; support for a program to reduce the fuel utilization of large trucks and buses; the development and distribution of information to the public and to schools; and also maintaining a toll-free line to provide information to the public on energy conservation.

Most other agencies focus on specific aspects of energy saving or demand-side management. Energy and Mines hopes to develop a more comprehensive, strategic approach and to coordinate activities to avoid overlap; again something I mentioned a bit earlier to you. To date most emphasis has been placed on the electrical energy but this is only one component of energy. The average Saskatchewan household actually spends two-thirds of its energy dollars on transportation.

To address the transportation issue, SaskEnergy's 1993 goal is to convert to natural gas, 100 fleet vehicles in municipalities and/or school divisions. SaskEnergy has converted 40 of their 200 fleet vehicles to natural gas and has targeted another 20 vehicles to be converted in 1993. The environment and resource network sponsored by Saskatchewan Environment and Resource Management is a network of over 250 public information centres. These centres contain booklets, brochures, contact names that address conservation issues from energy, to wildlife, to water.

In January of 1993, SaskEnergy announced pilot projects in the towns of Watson and Canora to save energy by using a community-based approach. The two communities will work with SaskPower to become more energy efficient and provide a framework for the rest of Saskatchewan based on that community's particular energy needs.

I'd also like to say that the Crown corporation of SaskPower has entered into an energy program at the Regina international airport which has been very successful. That's supported by the federal government and also very interested ... the Saskatchewan Energy and Mines Department, in following the

issues there.

And our objective, in conclusion, is to have a coordinated approach with one lead department -- Crown, agency, or department -- and to have an encompassing lead agency to take care of all demand-side management programs that are currently under way. I know the members opposite are very excited by these initiatives, and they will serve us well in the future, not only in terms of conserving energy, but also providing jobs and business opportunities for Saskatchewan people.

Some Hon. Members: hear, hear!

Mr. Devine: -- Thank you, Mr. Chairman. I wonder if the minister would table the document that he read from for the last 10 minutes.

Secondly, Mr. Minister, you took, it seems to me, considerable pleasure in describing all the departments and Crown corporations that were doing the research for the Saskatchewan Energy Conservation and Development Authority. And you went on and on and said well, the SRC is doing something. Saskatchewan Energy and Mines does a lot. Economic Development does quite a bit ... Environment ... on the COD22 stuff, SaskPower, natural gas, obviously SaskEnergy, on the royalty stuff, SaskEnergy and departments, and on and on and on.

So you have got \$3.3 million Authority that in good measure ... And we look at the size of the contracts you have in the private sector and then the work done in-house. You've got a \$3.3 million Authority so far that is -- and we'll add it up -- one-half to two-thirds in-house. And you've taken the time to describe that.

Now it's very interesting to the public that ... I mean we might know why you set it up or why the cabinet set it up, but it's a lot of money to have all of this done. And you're sitting here bragging about it for a half an hour that the department does this and the other department does that and the other department ...

And you've got it coordinated. Not a word of disparagement I'm making towards the people that you've put on this Authority, but why was it there? If all of this work is being coordinated and all the work is being done -- I mean pages of it and volumes of it that you so eloquently spoke of here tonight -- in-house ... \$3.3 million. And you said well that's \$300,000 year before last, 1.5 million last, and now another 1.5 million. The public has to begin to wonder. Do you have to have a \$3 million organization? We've had requests here to have legislative committees even review the rates that don't cost anything. And you're spending \$3.3 million and two-thirds of the activity is already in-house.

On top of the fact, you didn't do all that well when you did recommend that you tender for co-generation. You don't seem to make any sense when it comes to nuclear economic activity, and I'm sure that you haven't done that in-house. And you expect us to buy a \$3.3 million budget and you spent a good part of the evening describing how it's done inside the bureaucracy.

Shame on you . . . (inaudible interjections) . . . And they laugh. Mr. Chairman, they laugh at a \$3.3 million expenditure when they're supposed to be doing this to help balance the books. In-house. And we know why. You're using this Energy Authority for whatever purpose that you might have. It's sort of like your co-generation strategy. Nobody for sure knows what it is.

It's just like your electricity strategy. Nobody knows for sure. You talk about confidence. You think the public is going to have confidence and you spend \$3.3 million and most of the work is done in-house by bureaucrats. And for heaven's sakes, we know there's a little bit of patronage in some of the bureaucratic organization here.

Isn't that interesting that we've got this kind of money and the minister takes . . . he must have taken half an hour to go through all the departments that are already there that you're going to spend this money. What, are you going to double up? What's the money for?

Now I want to know specifically, did you tender, did you tender the business that went out to Evergreen, Cochrane Lavalin, universities, others, on the studies that were being done here? How did you pick those studies? How did you pick, pardon me, the people who did the studies? Did you tender? What percentage of this \$3 million to date has been spent in-house versus outside? How much of the administration . . . You see, you're spending quite a bit on administration through the SRC. The SRC has an administration. You're the minister responsible, but you had to give them some more money.

I have a lot of questions here, Mr. Minister. We might not be able to get through tonight, or even this week. But we want to know, what was the real reason for setting up this Authority and why so much of the work can be done internally and why you've spent all this time telling us that what you've really done is coordinate the government? As if you couldn't have a deputy minister or a cabinet committee or a bureaucratic committee of good officials that you have sitting around you coordinate this and pay them extra.

Well, Mr. Minister, would you tell us if you tender these research contracts out that the Authority has put out, that you talked about here tonight.

Hon. Mr. Anguish: -- Some we did, some we didn't.

Mr. Devine: -- Well, Mr. Minister, would you be prepared to table what you tendered and what you didn't?

Hon. Mr. Anguish: -- Yes we would.

Mr. Devine: -- Could you provide that this evening?

Hon. Mr. Anguish: -- Yes I could.

Mr. Devine: -- Mr. Chairman, Mr. Chairman, I don't think he's on record because I'm still on my feet, but I will ask the minister and then he can stand up.

Will you tender this evening the contracts that you put out, the projects that you tendered, who got them, who applied for them, what per cent of your budget went to the private sector, and what per cent of the work was done in-house by all the departments you told us about tonight that are doing all this work for the Authority -- could you do that?

Hon. Mr. Anguish: -- I've changed my mind. Maybe the microphone didn't pay up -- I said I would table tonight when you said would we table who got the contracts that were tendered and who got the ones that weren't contracted. I'd be happy to provide that but the stuff that you're asking would be of no valuable purpose to you, and I don't see any reason why I'd want to provide you with the information because it just creates extensive work in terms of what you're asking.

If you could maybe provide us in writing the detail that you'd require rather than asking some general question that would take a lot of time from the very busy employees, then we might consider providing it to you; but what you just asked is totally different than what you asked earlier.

And I suspect there's a little game you're playing. When you ask for something I say we'll give it, then you want something more because all you want to do is waste the time of the employees of the government. So you can have this if you want, but don't count on the rest of it coming to you very rapidly.

Mr. Devine: -- Well, Mr. Minister, obviously the public wants to know what you're doing with the \$3.3 million. If you have spent a good amount and allocated money that you could have used in-house anyway because the employees are already there -- and we can go back and dig it up of Hansard tomorrow -- because you spent a considerable amount of time saying most of the research was done in-house, then what in the world did you spend . . . need all this money for?

(2200)

Number two is: did you tender the projects that you did to the private sector? And I believe you said, some you did and some you didn't. Would you give us the projects that you tendered and then give us the justification for not tendering the others.

And what per cent of this budget went to the private sector and what per cent is . . . just goes to managing

the bureaucracy because you spend so much time in telling us that it really . . . most of it was done in-house.

Hon. Mr. Anguish: -- We're interested in cooperating. If you're serious about wanting answers to your questions, here they are. And I've asked the . . . Pardon? I'm trying to be as calm as I can about this and it's been a frustrating experience this evening, but I appreciate the encouragement of my House Leader to keep me calm. I've asked the page to take this and maybe you can make a photocopy so I have my copy, and you can give the hon. member from Estevan a copy of that. I think it will be quite revealing to him and go a long way to answering his questions.

If you have further questions once you've received that information, we'd be happy to answer them. We have more time this evening and I'm sure, with the tone of the questions you've asked tonight, we'll be back here, maybe on several more occasions to answer your questions. So we're here to serve, and you just keep asking the questions.

The committee reported progress on division.

The Assembly adjourned at 10:04 p.m.