

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Mr. Speaker, I rise again today to present petitions from people in my constituency who are concerned about the Fyke report:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Wadena health centre be maintained at its current level of service at minimum, with 24-hour acute care, emergency and doctoral services available, as well as laboratory, public health, home care, and long-term care services for users in our district and beyond.

The people that have signed these petitions are all from Wadena.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of citizens from Swift Current and across the southwest corner of our province who have signed a petition expressing concern about the state of our current hospital. And the prayer reads as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to carefully consider Swift Current's request for a new hospital.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, the petition today is signed by residents of the city of Swift Current, and also of the communities of Climax, Bracken, Shaunavon, and Consul, as well as Central Butte.

I so present.

Ms. Bakken: — Mr. Speaker, I rise today to present a petition on behalf of constituents who are concerned about maintaining adequate health care in the Weyburn-Big Muddy constituency. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to take the necessary steps to ensure that services are maintained at least at their current level at Weyburn General Hospital, Bengough Health Centre, Radville Marian Health Centre, and Pangman Health Centre, in order that accessible health care services are available to residents of the Weyburn-Big Muddy constituency and beyond.

And this petition is signed by residents of Minton and Weyburn.

I so present.

Mr. Harper: — Thank you, Mr. Speaker. Mr. Speaker, I'm

pleased to rise today to present a petition on behalf of Saskatchewan citizens who are expressing support for the Government of Saskatchewan decision to increase the foundation operating grants to school divisions. And the prayer goes as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to ask the Government of Saskatchewan to continue with its foresight and its vision of increasing the foundation operating grant to school divisions by \$40.8 million for the fiscal year 2001-2002, the largest increase in 15 years.

And this petition is signed by the good folks from Preeceville, Kamsack, Canora, Theodore, and Buchanan.

I so submit.

Mr. Weekes: — Thank you, Mr. Speaker. I rise today to present a petition from citizens concerned about high energy crisis. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide more substantial power and energy relief to Saskatchewan consumers.

And as is duty bound, your petitioners will ever pray.

From the citizens of North Battleford, Battleford, and Delmas.

Mr. Addley: — Thank you, Mr. Speaker. I rise to present a petition about why . . . individuals concerned about the human and financial cost and in support of comprehensive tobacco control legislation, and the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to pass comprehensive provincial legislation to prevent children from starting to smoke, to protect all citizens from second-hand smoke in public places and workplaces, and to control youth access to tobacco products.

And as in duty bound, your petitioners ever pray.

And this petition is signed by people of Weyburn and Griffin, Saskatchewan.

I so present, Mr. Speaker.

Mr. Bjornerud: — Thank you, Mr. Speaker. I have a petition today to do with the lack of funding to non-profit personal care homes. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide subsidies to non-profit personal care homes in the province so all seniors can be treated equally.

The signators, Mr. Speaker, are all from the community of Kamsack.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here of citizens outraged about the huge increases SaskEnergy are proposed:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Bladworth, Davidson, Craik, Saskatoon, and Glaslyn.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition regarding concerned citizens of Saskatchewan in regards to cellular telephone coverage.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service in the districts of Spiritwood, Medstead, Glaslyn, Leoville, Chitek Lake, Big River, Canwood, Debden, Shellbrook, Parkside, Shell Lake, Duck Lake, and Macdowall.

And as in duty bound, your petitioners will ever pray.

And the signatures on this petition, Mr. Speaker, are from Spiritwood, Mayfair, and Pebble Baye.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have a petition signed by folks that are concerned about the cost of energy. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to the Saskatchewan consumers.

Mr. Speaker, the petition is signed by folks from Neilburg, Marsden, Unity, Battleford, and Baldwinton.

And I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I rise again with a petition from concerned citizens concerned about the lack of cellular telephone coverage in rural Saskatchewan. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone services to all communities throughout the Wood River constituency.

And as in duty bound, your petitioners will ever pray.

And, Mr. Speaker, this petition is signed by the good citizens of Ponteix.

I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petitions have been reviewed and pursuant to rule 12(7) they are hereby read and received.

Petitions requesting the government to implement the 911 emergency telephone system province wide; and

Petitions requesting the government to provide subsidies to non-profit personal care homes.

And eight other petitions that are addendums to previously tabled petitions.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Brkich: — Mr. Speaker, I give notice that I shall on day no. 54 ask the government the following question:

To the Minister of Sask Water: how much has your department spent on the upper Assiniboine River basin study to date and what actions have resulted from this study so far?

INTRODUCTION OF GUESTS

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to all members of the Assembly, 63 grade 8 students from White City School. They're seated in the west gallery, Mr. Speaker.

I've had a few opportunities to be at White City School. A few years ago there was a career day that I attended and answered questions of the assembly. The minister of Education at the time and I launched the new math curriculum information from White City School. And sometimes I've been there for the White City Optimists' bicycle safety days. I've always been warmly welcomed.

I'm going to meet these students on the steps for a picture, and then a visit after that, and some refreshments. So I would ask all members to join with me in greeting these students, grade 8 students from White City School, and their teachers Joyce Dudley and Jared Bildfell. Please join with me in a greeting to the White City School grade 8s.

Hon. Members: Hear, hear!

Mr. Wartman: — Thank you, Mr. Speaker. Mr. Speaker, I'm happy to introduce to you and through you to the rest of this Assembly, 27 grade 5 students from MacNeill School in Regina Qu'Appelle Valley. And they're accompanied by their teacher, Mrs. Kivela; and the parents who are along as chaperones, Mrs. Gackle and Mrs. Malcolm. And I'm looking forward to meeting with this group later on.

So join me in welcoming them please to the Assembly.

Hon. Members: Hear, hear!

Mr. Addley: — Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all members of the House, in your gallery, some very good friends of mine and relatives of hers from Topeka, Kansas: Alan Cann, and Jennifer Marlor, and David and Lois Waldo who are from Topeka, Kansas. And I'm sure all hon. members will want to welcome them here.

And I'd just like to remind David and Lois that while there's no place like home, there's no place like home, you're not in Kansas any more. So welcome to Saskatchewan.

And would all hon. members please provide a warm welcome.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Wind Power and Green Power Product Announcement

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, as all members of the Assembly know, we're blessed with bountiful wind resources in this province.

This afternoon I'm pleased to rise in the House as we mark Environment Week to inform members and the public the second new wind power project is in the works for this province thanks to a financial commitment by our government.

This morning our Premier and our Crown Investments Corporation minister announced a 10-year, \$5 million agreement under which the province will buy wind power from Saskatchewan Power Corporation for provincial government facilities. SaskPower will harness the wind to generate clean, renewable electricity by constructing its own 5.3 megawatt wind power project in southern Saskatchewan.

SaskPower will also invest an additional \$2.6 million over 10 years to supply wind power for the corporation's head office.

And starting next year, Mr. Speaker, residential, farm, and business customers will have the opportunity to buy a set amount of green power in addition to their normal electricity, billing in \$5 increments.

Mr. Speaker, this new wind power initiative, together with the SunBridge wind power project that our government announced last month, will give us the third largest wind power capacity in all of Canada when these projects are completed, Mr. Speaker.

Thank you very much.

Some Hon. Members: Hear, hear!

Expansion of Maple Creek Recycling Depot

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, recently the Maple Creek and District Opportunities Incorporated was a site of the grand opening of a new eco-environment centre and an expanded paper recycling depot.

Now this past year, recycling services were separated, which

allowed renovations to be made at the SARCAN container recycling depot to allow more efficient operation. Increasing volumes necessitated the expansion and upgrading of SARCAN's facilities. SARCAN now has a new conveyor, can crusher, and a larger storage area to accommodate the large number of recycled containers.

Over the past 13 years, Mr. Speaker, 13,000 tonnes, representing 22 million containers, have been recycled through the Maple Creek depot. The new enviro-eco centre will accept quantities of 500 litres of oil at a time, and also collect filters and oil containers of up to 30 litres. The paper recycling centre has moved to larger premises. Last year they recycled 250 tonnes of paper, newsprint, magazines, and cardboard.

A testament to the success of these programs is evident by the amount of material that is recycled through Opportunities Inc. These programs demonstrate a win-win situation for the community of Maple Creek. Persons with disabilities are provided with work opportunities, and reduced waste extends the lifetime of Maple Creek's landfill site.

So, Mr. Speaker, I would like to congratulate Maple Creek and District Opportunities on the grand opening of their new and expanded venture. The residents of Maple Creek are leaders in the field of recycling and should be proud of their efforts in being a part of these worthwhile programs.

Some Hon. Members: Hear, hear!

Launch of the Work and Family Web Site

Mr. Addley: — Thank you, Mr. Speaker. Changes in recent years to our world and workforce have put increased stress on working people and their families — stress that can lead to illness, lost productivity, and diminishing quality of life.

A recent study by Watson Wyatt Canada found that the average direct cost of absenteeism is now \$3,550 per employee per year in our country. The study showed that measures such as employee assistance and work/life balance programs were factors in keeping disability costs down.

It is obviously to everyone's benefit to have productive and not distracted employees who can contribute to a healthy economy. The work and family unit of Saskatchewan Labour can help families, organizations, and communities find ways to balance their work and family lives.

(13:45)

The unit's new Web site — www.workandfamilybalance.com, that's [workandfamilybalance.com](http://www.workandfamilybalance.com) — will help bring people and possible solutions together. It offers information on recent research and publications, examples of successful strategies from our province and elsewhere, as well as links to additional resources. Most importantly, the site provides a way to share experiences so we can build on the successes of others in our community.

I invite all hon. members and all Saskatchewan people to visit the Work and Family Web site at www.workandfamilybalance.com. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Canadian Environment Week

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, June 3 to 9 is Canadian Environment Week across the country. It is held the first week of June to coincide with World Environment Day which occurs on June 5 every year.

This year, 2001, marks the 30th anniversary of Canadian Environment Week. The theme for this year's Canadian Environment Week is "Acting Today for Tomorrow."

Mr. Speaker, here in Saskatchewan where a lot of attention has been focused on some of our more serious environmental issues, it becomes clear that so much more must be done today to protect our tomorrows.

Mr. Speaker, the quality of water in more than 100 of our province's communities is substandard. The province's greenhouse gas emissions are above normal levels. And contaminated land sites from years ago are posing health risks in many areas.

We can all make choices, we can all take action, we can all do something, Mr. Speaker, to protect the environment. The environment is everyone's concern. It is up to all of us to practice the three Rs: reduce, reuse, and recycle.

A healthy environment means healthy people. More importantly, Mr. Speaker, it means healthy children. We must remember we did not inherit the earth from our forefathers but we are borrowing it from our children.

I ask all members of the House to recognize Canadian Environment Week. And I urge all members to become actively involved in addressing environmental concerns, not only in their communities but across the province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

NorSask Lumber Mill

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. One of the major players in the economy of northwest Saskatchewan is the Meadow Lake Tribal Council. And one of the council's major operations is the NorSask lumber mill.

The tribal council bought partial ownership from the provincial government in 1988 and assumed sole ownership in 1998. Using new high tech equipment, NorSask has boosted weekly production figures by 75 per cent in the last 10 years. It's a class operation, Mr. Speaker.

But you don't have to take my word for it. Just recently the NorSask lumber mill was named, amongst, and I quote, "the most productive lumber operations in North America" by the firm of PricewaterhouseCoopers. A survey by Price Waterhouse shows NorSask is leading the industry in the percentage return on assets, return on equity, and return on capital employed.

NorSask is also working on ways to achieve forest management

certification, an audited process to guarantee customers that all its lumber comes from forests that are managed in an environmentally sustainable manner.

Mr. Speaker, I am proud to have the NorSask mill and the Meadow Lake Tribal Council in my constituency. They are leaders in Saskatchewan's economic development and in how that development can be sustainable well into the future — a model for others to follow.

I congratulate them for this significant recognition of their achievement. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Kenny Rogers Look-alike

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, in recent days we've been spending a lot of time on the Internet researching SaskTel's latest stupid acquisitions. One of the greatest things about the Internet is, every once in a while you stumble across a Web site that is so ridiculous you just have to tell other people about it.

Well, Mr. Speaker, we found one such site the other day and it was called — and I'm not making this up — menwholooklikekennyrogers.com. Mr. Speaker, this site is a collection of photographs of men who bear a striking resemblance to Kenny Rogers. For some inexplicable reason, this bizarre site has been generating a lot of media attention and has a loyal following of fans, including Kenny Rogers himself.

Of course no Web site called menwholooklikekennyrogers.com would be complete without a photograph of our member from Rosthern seated just in front of me here. So unbeknownst to him, we submitted this picture and it is now being posted on this prestigious Web site alongside two men identified, bottles up . . . Bottoms Up Kenny and Giant Collar/Kenny.

Mr. Speaker, this Web site also contains helpful tips on where one might find men who look like Kenny Rogers. Two suggestions are at gun shows and at car lots. Bang on, Mr. Speaker; right on.

Mr. Speaker, the Saskatchewan Party is pleased to honour our colleague, the member from Rosthern, for this high recognition.

In closing, Mr. Speaker, this Web site makes really absolutely no sense. It has no real purpose. And it generates no real revenue. We think it'd be a perfect candidate for SaskTel.

Some Hon. Members: Hear, hear!

Habitat for Humanity

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. The amount of \$38,611 was given to the Prince Albert Habitat for Humanity by the government, making available funds to acquire two building lots in Prince Albert for the construction of two houses for families in need.

Mr. Speaker, the founding of the Prince Albert Habitat for Humanities project, three houses are well on the way and

funding is already underway for the fourth. As the donations of money, materials, and volunteer builders allow, this organization and other affiliates like it across Canada are gradually moving along towards the goal of eliminating poverty housing, one house at a time.

Mr. Speaker, with this donation it becomes very evident that this government is committed to giving all people of this fine province a chance to connect to their homes and to their futures. Connecting to the future is not only about providing housing for families that would not be able to afford such a luxury, but it's about innovative school-based programs keeping kids in school. It's about creating a Web-based virtual campus to provide education and training to Saskatchewan people no matter where in the province they live.

Investments such as this will only further our long-term plan to provide the people and communities of Saskatchewan with the tools that they need to connect to the future. Thank you very much.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Impact of Proposed SaskEnergy Rate Increase

Mr. Hermanson: — Thank you, Mr. Speaker. My question is for the Premier. Well, Mr. Speaker, on Friday the Saskatchewan Rate Review Panel recommended what would amount to the biggest single utility rate hike in Saskatchewan history. If approved, this huge rate hike will have devastating impact on Saskatchewan people and Saskatchewan's economy — homeowners, businesses, farms, and public institutions like hospitals, schools, and skating rinks.

Mr. Speaker, we will be hammered . . . will we be hammered by this massive rate hike? To the Premier, what is he going to do to protect Saskatchewan people from the crippling blow this rate hike will have on Saskatchewan homeowners, farmers, and businesses?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, it's very interesting to listen to members of the opposition because on May 17 the member from Canora-Pelly, who sits beside the Leader of the Opposition, got up and said that this government was underestimating the cost of natural gas. Now when the rate review panel has reported — a rate review panel that was called for by the opposition — they say we're overestimating the cost of natural gas.

Well I think what we should do, Mr. Speaker, is look at the facts. And the facts are these: in their beloved province of Alberta, Mr. Speaker, natural gas prices are twice as high as what we pay in Saskatchewan, Mr. Speaker. Twice as high because of deregulation and privatization.

And the people of the province need to remember that what these people are about, Mr. Speaker, is selling off SaskEnergy so that we can pay their rich friends for higher natural gas costs. And we're not going there, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Mr. Speaker, of course the fact that the minister has two sets of books is a whole set of questions in itself.

But I'm talking about Saskatchewan's economy under the NDP (New Democratic Party).

We've lost over 12,000 jobs in the last year. We've lost over 8,400 people through out-migration in the past year. And now Saskatchewan families and farms and businesses are about to be walloped by the biggest tax . . . by the biggest rate hike in our history.

The numbers are staggering, Mr. Speaker: \$360 more for the average homeowner; \$444 more for the average farm; and thousands of dollars more for businesses and large users like schools and hospitals.

Mr. Speaker, the NDP knew this was coming — it was no secret — and they knew it was going to be bad. Now the question is: what are they going to do about it? What plans do the NDP have to offset this massive rate hike?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I find it curious that the Leader of the Opposition doesn't get up and say what the facts are, which are these, Mr. Speaker: SaskEnergy, which is owned by the people of this province, is charging 4.52, \$4.52, Mr. Speaker, for the same amount of gas that in Alberta costs between \$9 and \$10.

That's what would result if we listened to the logic of the members opposite, Mr. Speaker, because that member, the Leader of the Opposition, Mr. Speaker, when asked by the Saskatoon *StarPhoenix* how he was going to pay for tax cuts for his rich friends, said this, Mr. Speaker, he said by selling off some or part of the Crown corporations.

And no one should mistake what they have in mind, Mr. Speaker, which is to do what they tried to do before, which is to sell off the corporation just as they sold off our natural gas reserves, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Well, Mr. Speaker, if someone in this Assembly should check his facts, I suggest it would be the Minister of Finance. Today, EPCOR, an Alberta-based energy company is selling natural gas for \$6.69 a gigajoule and that's cheaper than the rate will be when this government approves the panel's recommendation made last Friday. That's the fact, Mr. Speaker.

Mr. Speaker, my question is for the minister responsible for SaskEnergy. People all over Saskatchewan are questioning why SaskEnergy rates are going up. Why is SaskEnergy and this government even considering gouging Saskatchewan people in light of a couple of facts: in light of the fact that the price right now is \$5 a gigajoule, it's being forecast to stay there; and in light of the fact that SaskEnergy made this request based on a \$7.28 a gigajoule forecast.

Mr. Speaker, the question to the minister is simple. Why is SaskEnergy and the government considering putting up rates at this level when industry experts — and even the Minister of Finance — are predicting a much lower price?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, they talk about a Web site of people that look like Kenny Rogers, there's also a Web site of people that sound like Grant Devine. And that member is on that Web site, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Look at how ridiculous this is, Mr. Speaker. The member from Swift Current gets up and says that somebody says they're going to charge 6.69 for natural gas. And he says that's a good deal.

Well the price in Saskatchewan is 4.52, Mr. Speaker. Because SaskEnergy has the lowest price for the consumer in Canada, Mr. Speaker. And why can't that member get up and admit that SaskEnergy, owned by the people of this province, has been doing a good job for the consumer, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Well, Mr. Speaker, maybe if we're lucky, maybe if both of us are lucky there's a Web site called angry men who aren't interested in the facts. Because that's what we're presenting here today and the Minister of Finance doesn't seem to be very interested.

Mr. Speaker, on Friday — and he just said it again now — on Friday, the Minister of Finance stood in his place and promised to keep natural gas prices in Saskatchewan the lowest in Canada. That's what he said Friday as well.

Well, Mr. Speaker, if he plans to keep that promise that means he can't approve the rate review panel's recommendation made last Friday. The recommended SaskEnergy rate works out to \$7.28 a gigajoule. EPCOR in Alberta today is currently selling natural gas at \$6.69 a gigajoule and they'll lock you in for about that over the next five years. And that's before the \$1,600 rebate the Government of Alberta's providing homeowners in Alberta.

Mr. Speaker, on Friday the NDP promised the lowest gas rates in North America. If they want to keep that promise they have to reject the panel's recommendation. So the question to the minister is this: Mr. Speaker, will the NDP reject the panel's recommendation and send it back for further consideration?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, we have already said, in this House and outside this House on many occasions, that cabinet will consider the recommendation of the rate review panel that the opposition called for. We will then make a decision, which is in the best interests of the consumer and the provider of the energy, Mr. Speaker. That's what we will do.

(14:00)

What we will not do, Mr. Speaker, is to privatize SaskEnergy and go where they have gone in Alberta. And I want to tell the member, the price of natural gas currently in Edmonton has been 8.77 per gigajoule; Saskatchewan, 4.52; Calgary, 9.81; Saskatchewan, 4.52.

Mr. Speaker, we have the best prices of any major utility in Canada, and I think North America, but it's not good enough for those people because their job is simply to complain, complain, complain until enough people buy their snake oil so that they can possibly take power and start selling off the assets of the people of the province.

That is their ultimate objective, Mr. Speaker, and that is what we will try to prevent from happening.

Some Hon. Members: Hear, hear!

Mr. Wakefield: — Thank you, Mr. Speaker. In that same vein, my question is for the minister responsible for Economic Development.

Mr. Speaker, across this province if you ask the businesses what was the biggest impact on their business over the last year, they would answer energy prices. The increase last winter had a huge effect on operating costs of businesses — both large and small. And that increase, combined with the rate hike they're now about to face, is causing many small business owners to re-evaluate their operations.

The bottom line is that the increased energy costs that businesses pay will have to be passed on to the consumer.

Mr. Speaker, when the cabinet meets to discuss the rate review panel's recommendations for energy rate hikes, does the minister plan to tell them about the effect higher energy costs will have on the economic development of this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well I want to say to the member from Lloydminster, Mr. Speaker, where by the way they don't have natural gas provided by SaskEnergy. And I believe the price is much, much higher, the member could confirm that, than it is in Saskatchewan.

Because in Saskatchewan, SaskEnergy has been doing what it can to protect the consumer, and including the small business sector. And, Mr. Speaker, certainly that is what SaskEnergy will continue to try to do. And what this government will try to do as we have been doing, is to take the recommendation of the independent review panel, consider it, consider the economic impacts, consider the questions of fairness, and competitiveness, and the health of the corporation, trying to avoid deficits and debt that those members want to put the province into.

And, Mr. Speaker, certainly we'll be taking all of those factors into account and trying to come up with the fairest decision that we can come up with.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, the agriculture industry is already struggling to cope with the rising input costs, and energy costs are one of those. Whether they're manufacturing implements, own a welding shop, operate a hatchery, a greenhouse, or a seed-cleaning plant, higher energy costs is having a huge effect on their bottom line.

Mr. Speaker, many farm families simply cannot afford a 38 per cent increase in their energy bill, and they certainly don't expect to see their income increase to any significant level that will make these costs easier for them to absorb. This obviously will not do anything to help ease the farm income crisis and in fact it delivers yet another critical blow.

Mr. Speaker, how does this NDP government think that Saskatchewan farm families can possibly cope with such a huge energy increase?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, I want to say to the member from Watrous that this government is concerned about farm input costs and that is why in the last budget, Mr. Speaker — which that member voted against and those members all voted against — we removed the cap on gas tax for farmers. There's now no tax payable for farm fuel, Mr. Speaker, no tax payable for farm fuel in Saskatchewan.

And what I'd like to know is if that member and those members were really concerned about farmers and input costs, why did they vote against budgetary measures to remove the tax on farm fuel, Mr. Speaker? And the reason is, of course, Mr. Speaker, that they will oppose anything that this government does whether it's positive for farmers or not because their only objective, Mr. Speaker, is to complain and talk about doom and gloom and that's what they do so well, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister of Rural Revitalization. Many small businesses in rural Saskatchewan are not only struggling with a sluggish economy, they're also dealing with higher property taxes as a result of berserk reassessment.

But overwhelmingly those people are saying energy rates are having the biggest impact right now on their businesses. Small hotels, grocery stores, hardware stores, and other small businesses across the province are saying high gas prices are driving them out of business and in some cases they've already laid off staff to cut their operating costs. Others say they now have had to put their businesses up for sale. Many say another increase will make their businesses non-viable.

Mr. Speaker, will the minister of Rural Revitalization stress to the cabinet that this latest energy rate hike will have a serious negative impact on rural Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, why is it that day after day and week after week, we hear those members getting up in the legislature and throughout the province comparing

Saskatchewan to Alberta and saying small business is suffering because they say taxes are lower in the province of Alberta. People are leaving because they say taxes are lower in the province of Alberta.

But here we have a situation they're complaining about the cost of natural gas when we know that the cost of natural gas is twice as much in Alberta as Saskatchewan, Mr. Speaker — twice as high in Alberta than Saskatchewan.

Now we don't hear — we don't hear the same comparisons coming from the opposition about their beloved province of Alberta, Mr. Speaker. Because Alberta has done what those members advocate, which is to privatize their utilities and make the consumer pay their rich friends. But you know what, Mr. Speaker? People are catching on to that and seeing what their plan really means.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal Affairs.

The NDP's massive SaskEnergy rate increase is also going to be devastating for Saskatchewan communities and Saskatchewan's already struggling property taxpayers. Municipal buildings and community-owned facilities such as skating rinks, curling rinks, and swimming pools will all require funding increases to cope with the rising energy cost. And for the most, that funding is going to have to come from the municipality.

Mr. Speaker, municipalities don't have the money. So that choice in hundreds of communities is a grim one, Mr. Speaker — raise the property taxes again or start closing rinks and community halls.

Mr. Speaker, will the Liberal minister commit to advising the NDP cabinet that the proposed 35 per cent increase in natural gas rates is either going to drive the property taxes up in communities across Saskatchewan or force the closures of rinks and community centres?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, it doesn't matter how many times I get up and tell the opposition that we have the best prices for natural gas. They're not going to admit that. They're not going to deal with the facts.

So I'll just say this instead, Mr. Speaker, they may not like the price of natural gas at \$7 per gigajoule or whatever it's going to be. But I'll say this, Mr. Speaker, that is a bargain compared to what a gigajoule of the snake oil from that side of the House would cost. Because if the people of this province ever buy that snake oil, Mr. Speaker, they'll be paying through the nose for natural gas and we're not going to let that happen, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health.

Saskatchewan health districts are significant consumers of natural gas. That means the NDP's plan for a massive SaskEnergy rate increase is going to drive up operating costs for every health district in Saskatchewan. And yet we already have many health districts struggling with deficit budgets and others who are considering closing facilities and staff layoffs, service reductions, in order to balance their books.

Mr. Speaker, will the minister commit to advise his NDP cabinet colleagues that a massive SaskEnergy rate increase is going to lead to even more bed closures and staffing reductions while hospital waiting lists get longer?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, I've already explained to the opposition that we have the best natural gas prices in Canada. Perhaps the opposition doesn't believe it, I don't know, but that's what we've done. And I've explained, Mr. Speaker, that our plan is to consider the recommendation of the rate review panel, Mr. Speaker, and we will do what we can to make sure that our rates are among the best in Canada if not the best in Canada, Mr. Speaker. That's what we'll do.

We will use the publicly owned corporation, SaskEnergy, to keep our rates competitive as we have been doing. So that's the answer to that question, Mr. Speaker.

But while I'm on my feet, I'll say this: that I know the opposition health critic will have been very pleased this morning to read in the Saskatoon *StarPhoenix* the story that said that the health care delivered in Saskatoon is among the best in Canada, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. My question is for the Minister of Education. School divisions across Saskatchewan were all too familiar with the massive budget cuts that were inflicted by this NDP government over the past 10 years. But during the last election, Mr. Speaker, we heard the Liberal leader go on and on about how the NDP had to stop downloading onto municipalities and school divisions. But now that the Liberal leader's a member of the NDP, downloading, it just isn't so bad any more.

The NDP's plan for a massive SaskEnergy rate increase is going to drive operating costs for school divisions right up again. And yet the best advice the Liberal leader can give school divisions is to simply raise property taxes.

Mr. Speaker, will the Minister of Education commit to advise his NDP cabinet colleagues that a massive SaskEnergy rate increase is going to drive education taxes up right across Saskatchewan?

Hon. Mr. Cline: — Mr. Speaker, this is how ridiculous this opposition really is. That member, the Education critic gets up and says — note this — that we're cutting funding to the school boards. Well, well, Mr. Speaker, in the last two years, funding to K to 12 education in Saskatchewan has gone up by 16 per cent — 16 per cent.

And this is how phony-baloney the argument of the opposition really is, Mr. Speaker, because in this budget where we have the largest Education budget in Saskatchewan history and an increase in K to 12 education that was welcomed — and we got an A from the school boards — we put money into education. What did they do? They complained about it and voted against it, and it's on the record, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, higher increased energy costs are going to be very, very difficult . . .

The Speaker: — Order, order.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, higher increased energy costs are going to be very, very difficult to deal with for low-income families. Senior citizens and low-income earners are going to be especially hard hit.

The resources in the community that seniors and low-income families rely on for recreation, for child care — many of which are non-profit — are also going to have to pay more for energy and will have to pass those costs on to the people who use their services. It is essentially a double blow for consumers, felt the hardest by people of low incomes.

Mr. Speaker, I would like to ask the Minister of Social Services, how is he going to approach his cabinet colleagues on this issue, and will he be supporting this increase in energy rates?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — You know, here we go again, Mr. Speaker. Because in the budget that was presented in this legislature on March 29, there were measures for community schools, for an Indian and Métis strategy, for an increase in the child benefit — to do what, Mr. Speaker? To fight poverty in Saskatchewan.

And I want to say to the member from Estevan that Saskatchewan is the only province in the last few years that has decreased the rate of child poverty. We have not done enough, Mr. Speaker, and there's much more to be done.

But this government is taking steps to deal with poverty that were opposed by that member who voted against it, Mr. Speaker, and were opposed by that party. Because, Mr. Speaker, the simple fact of the matter is that party has never been interested in measures to help the poor, Mr. Speaker, and that party will never be interested in measures to help the poor, Mr. Speaker.

Some Hon. Members: Hear, hear!

(14:15)

Mr. Hermanson: — Thank you, Mr. Speaker. Mr. Speaker, we hear the Minister of Finance bluster over there, unaware of the damage that he and his government is doing to Saskatchewan — the damage that he is doing to homeowners and farmers and businesses, to low-income people. Mr. Speaker, all of Saskatchewan is questioning why SaskEnergy rates are going up when natural gas prices are going down.

The Saskatchewan Party has asked the Speaker to allow an emergency debate on this matter this afternoon. Our motion calls on the cabinet to protect the people of Saskatchewan from this massive rate hike increase and to consider rejecting the proposed rate hike in light of recent forecasts of declining gas prices.

My question, Mr. Speaker: will the Premier follow our recommendation? Will the Premier take immediate action to protect Saskatchewan residents from this massive rate hike?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, the Leader of the Opposition gets up for the ninth act of an one-act play. Because everybody in the province knows, Mr. Speaker, that this party over there is a one-trick pony that believes in one thing, and that is tax cuts for their rich friends, Mr. Speaker, at any expense — even if they have to sell off the assets of the people to pay for it.

That is what that party did in the 1980s, Mr. Speaker, and if given the chance, let's face it, that is what that party will do again. And that member and all the other members can get up and complain and they can cry all the crocodile tears they want for this group and that group and the other group, Mr. Speaker, but the fact of the matter is, any time this government takes a positive step to deal with it, what do they do, Mr. Speaker? They vote against it. That's what they do.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Mr. Speaker, the minister didn't answer my question. The minister didn't answer any of my colleagues' questions. I don't know if the minister in charge of SaskEnergy has even let the Minister of Finance know that the rate review panel has asked for a 35 to 40 per cent increase in natural gas rates in Saskatchewan. He seems to be ignorant of the fact, Mr. Speaker. That's why we're asking the Premier.

Will the Premier agree to take this serious matter to cabinet and will he insist that this matter be reviewed before the rate hikes are imposed on every person in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well again, Mr. Speaker, this is how incredible this opposition really is. For years, for years they called for an independent rate review panel to set rates on utilities. That's what they called for.

And notwithstanding the fact that our bundle of rates is the best in Canada, we set up an independent rate review panel, Mr. Speaker, so that it wouldn't be the decision just of the cabinet what the rate should be. So we take their advice, set up the independent rate review panel, get the advice of the rate review panel, then what do they say? They say send it back to the rate review panel. We don't like it, that's what they say.

And I say, and we on this side of the House say, Mr. Speaker, this is not a credible opposition. This is a group of individuals who will try to take political advantage and complain about whatever is going on in the province, Mr. Speaker, because they

have one objective and one objective only, and that is to attain power at all costs, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order.

INTRODUCTION OF BILLS

Bill No. 49 — The Land Surveyors and Professional Surveyors Amendment Act, 2001

Hon. Mr. Axworthy: — Thanks, Mr. Speaker. I move that Bill No. 49, The Land Surveyors and Professional Surveyors Amendment Act, 2001 be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 50 — The Mineral Resources Amendment Act, 2001

Hon. Mr. Sonntag: — Mr. Speaker, I move that Bill No. 50, The Mineral Resources Amendment Act, 2001 be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 51 — The Income Tax Amendment Act, 2001

Hon. Mr. Cline: — Mr. Speaker, I move that Bill No. 51, The Income Tax Amendment Act, 2001, be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 52 — The Railway Amendment Act, 2001

Hon. Ms. Atkinson: — Thank you, Mr. Speaker. I move that Bill No. 52, The Railway Amendment Act, 2001, be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

PRIORITY OF DEBATE

Impact of SaskEnergy Proposed Rate Increases

The Speaker: — Members, before orders of the day, I want to make a statement. Today at 11:20 a.m. I received a request from the member for Swift Current, a written request pursuant to rule 19, to move priority of debate motion.

In examining whether or not the matter is proper to be discussed, I find that the member for Swift Current has made sufficient case. The issue at hand concerns the administrative responsibilities of government, and could come within the scope of ministerial action.

In considering whether this matter could be brought before the House by other means within a reasonable time, I note that there does not appear to be any obvious alternative way for this issue to be debated within the next few days.

Therefore I call upon the member to move his priority of debate motion.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you. Thank you very much, Mr. Speaker. I appreciate your ruling in that regard. We on this side of the House, and we hope that members on the government side of the House, believe this to be a very urgent matter that this legislature would be dealing with.

If this rate hike is approved, it will be the largest utility rate hike in the history of our province. And as we tried to outline in question period, Mr. Speaker, it will affect every facet of life in the province of Saskatchewan.

It'll affect people in rural Saskatchewan, be they in business or be they in the service of providing health care and education. It'll most definitely affect agriculture, Mr. Speaker. It'll affect specifically health care in both rural and urban areas.

As the member for Kelvington-Wadena has pointed out, it will drastically impact on schools in our province, and on the budgets that school boards have already passed, I would point out, Mr. Speaker, in terms of the fiscal year that's underway now. And, Mr. Speaker, it will impact on manufacturing and it will impact on small business.

Now we on this side of the House understand as well as any, that the world price for commodities such as natural gas will and must have an impact on our economy here in the province of Saskatchewan. We understand that completely.

We believe in liberalized trade, Mr. Speaker. We understand that whether we like it or not all the time, this is truly a global economy and because of that, not only will we benefit from international markets, but sometimes we will be price takers from international markets.

But in the case of natural gas, Mr. Speaker, that isn't even necessarily the case that we are only price takers. Because that would imply that we don't benefit at all when the price of gas or the price of oil goes to the roof, as we have seen it do over the last period of months.

In fact, Mr. Speaker, we are one of only two provinces in the Dominion that are benefactors to any significant degree from high energy prices. Alberta and Saskatchewan, as major oil and gas producers, clearly are benefactors when the price of natural gas goes to the roof or the price of West Texas crude, Mr. Speaker, because the province generates royalty revenue off of that.

In fact, Mr. Speaker, this government's sitting on \$400 million in windfall oil and gas royalty that they've generated from this sector. So the same situation that does cause consumers some difficulty — i.e., the high cost of their monthly gas bill; i.e., the price of gas at the pumps — also affords Saskatchewan people a

benefit in that they are owners of the resource and therefore are paid a royalty by the private sector who developed those resources. And that royalty accrues to the government.

But, Mr. Speaker, there is absolutely no benefit, no benefit for Saskatchewan people if the government that collects that revenue has its priorities wrong in terms of either the expenditure of those royalty revenues, or perhaps the saving, as the case may be.

And that seems to be the problem with this government, Mr. Speaker. And it's why we have stood on countless occasions in this Assembly to exhort the government to treat that royalty, that windfall oil and gas royalty, like it is the people's money and not like it is their own. Because it's surely the former, Mr. Speaker, make no doubt about that.

More recently though, Mr. Speaker, last week, in fact the very day that . . . And the member for Saskatoon Nutana was here on Friday. She will know, if she bothered to check the Internet . . . and I'm not sure they do, because they proved today they aren't aware of the current price for natural gas in either this province or Alberta.

But she would know if she was here on Friday, that the price for natural gas that day was \$5 a gigajoule. Well actually it was a little less than \$5; it was \$5 per thousand cubic metre. And actually a thousand cubic metres is about 95 per cent a gigajoule. So the price was more around \$4.75, Mr. Speaker, the day that we rose in this Assembly to question the government on SaskEnergy's request for a rate increase which is based on \$7 a gigajoule, Mr. Speaker.

And so, Mr. Speaker, there was some confusion over on the government side, and that remains today in terms of what the actual price for gas is. And we just encourage them to check out the Internet because the prices are all there. AECO, that's the price the Minister of Finance has ballyhooed that the government uses — Alberta Energy Corporation prices.

Today if he would have gone to the Internet and checked it out, he would have seen, Mr. Speaker, he would have seen what the actual price for gas forecasts in Alberta are. Mr. Speaker, they range from \$4.98 to 5.32 at the high end. That's what was on the Internet today.

If he had bothered to look, if his staff maybe had clicked a few Web sites on the Internet, he wouldn't have looked quite so foolish as he did in question period today when he was talking about what the price in Alberta was. In fact, I think he stood up on his feet this afternoon, Mr. Speaker, and said the price of natural gas in Alberta today was 8 . . . (inaudible interjection) . . . My colleagues say 8 to 9 to \$10 a gigajoule.

Mr. Speaker, even after we pointed out to him that the price EPCOR is charging, that's Edmonton Light . . . that's the former Edmonton Light & Power, by the way, which is right now a municipally owned Crown corporation, if you will, of the city of Edmonton, of the city council of Edmonton. You know what they're charging today, Mr. Speaker? About 6.69, and that's if you lock in to three to five years, that's if you lock in, Mr. Speaker. That's if . . . (inaudible interjection) . . . And the Minister of Labour is chirping from the back seat. He doesn't

even fully comprehend that that's a lock-in price over the long term.

These people have demonstrated Friday and today, in spades, that they don't have a clue about this industry, and if Saskatchewan people are worried that they'll make the final decision on the panel's recommendation, I don't blame them for being worried. I'm worried too, I'm worried too.

Some Hon. Members: Hear, hear!

Mr. Wall: — The minister doesn't know what the price of gas is. He's their designated hit man today in question period. These questions clearly should have been answered by his colleague, the minister for SaskEnergy who's been having more than his share of trouble this session. And he doesn't like to micromanage.

So the Minister of Finance fields all these questions on the SaskEnergy rate increase. Surely he knew we were going to ask them today, and he didn't even bother to do a research to find out what the price was; to find out the most important point of all, Mr. Speaker, which is this: if the panel recommendations are approved, even at 7 per cent less than was SaskEnergy was asking for, our prices in Saskatchewan will no longer be the lowest in Canada or North America. And that's significant, Mr. Speaker, because it would represent another broken promise of this NDP government.

(14:30)

Last Friday and today, the Minister of Finance promised and committed to the people of Saskatchewan that after the smoke clears on this rate increase request, that we would have the lowest prices in all of the Dominion and then he went on to say North America as well.

Well the minister was unaware apparently that if he approves the panel recommendations — even in their watered-down state as the panel has reduced the amount provided to SaskEnergy — we indeed, Mr. Speaker, will not have the lowest rates. We could tell you today they won't be lower than EPCOR's. The evil empire next door, as the government would characterize them as regards energy, are going to be lower if you do that, Mr. Speaker, if the government approves the panel recommendations as they are.

And so these are the questions that we're asking. And we've asked them in the media since then. And I was involved in an interview this morning on a Regina radio station and tried to be non-political, frankly, Mr. Speaker, because the issue is very important . . . (inaudible interjection) . . . Well it's true. In fact I defended the process that the government has put in place.

And then we simply said what we're asking the government to do, all we're asking them to do is to clarify why the price on which they're going to base their decision — \$7 a gigajoule — why the price they're going to base their decision on is 40 per cent higher than the price today, 40 per cent higher than the price forecast through to October, 2002.

I think the member for Regina Victoria just bellowed out — maybe he wasn't here a few minutes ago — I think he just

bellowed out about the lowest prices in North America.

The Speaker: — Why is the member from Greystone on his feet?

Mr. Prebble: — Mr. Speaker, with leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to introduce two guests in the gallery this afternoon, in the west gallery; two people who've made a major contribution to life in this province, Mr. Speaker.

I see that Mr. Ormond McKaue is here, who's a distinguished educator, made a big contribution to the University of Saskatchewan and to K to 12 education in this province, Mr. Speaker. And I also see that Mr. Sam Sambisiam is here, who's made a major contribution to the trade union movement in this province and to the work of the food bank in Saskatoon, Mr. Speaker.

So I hope all members of the Assembly will take a moment to welcome these two gentlemen. Thank you very much.

Hon. Members: Hear, hear!

PRIORITY OF DEBATE

Impact of SaskEnergy Proposed Rate Increases (continued)

Mr. Wall: — Thank you, Mr. Speaker. Well just before the introduction of guests, the member for Regina Victoria was bellowing out again about the lowest prices in North America. And that is the promise and the commitment of the government. You made it on . . . I beg your pardon, Mr. Speaker, his colleague, the Minister of Finance, committed, committed the government to the lowest prices in North America.

And we will hold the government to that because if it adopts the recommendations of the rate review panel, we'll be at \$7.28 a gigajoule. That's the fact of the matter, Mr. Speaker. It's not our side versus their side. That's the fact of the matter.

And the other fact of that matter then, Mr. Speaker, is that we will not be the lowest in North America, and another promise will have been broken by this government. Just like the health care promises that they made in the last election were broken, Mr. Speaker. Just like their solemn promise to their membership that they would never privatize, that they opposed deregulation. Let's take a look at the record of the members opposite on that front, Mr. Speaker, to find out if they're trustworthy as regards this motion today.

What did they do with the shares in the Husky Upgrader? They privatized them. What did they do with their shares in Cameco? They privatized them. What did they do with their remaining shares in SaskComp, with their remaining shares in SaskComp, now ISM (Information Systems Management Corporation)? They privatized them. What did the president — the NDP

hand-picked president — of SaskTel confirm for us not more than two weeks ago? That he was considering the privatization of 20 to 30 per cent of SaskTel, Mr. Speaker. That's their record.

So on one hand they say we're unequivocally opposed to privatization. We want to have nothing to do with it. And in the backrooms, in the backrooms, they're cutting deals. They're selling the assets of the people of Saskatchewan because their commitment does not go beyond their word.

What about deregulation? What about deregulation? Let's take a look at that issue, Mr. Speaker. And they better get used to hearing about it because we're going to be talking about this ad nauseam for the next number of months. On the count of deregulation, this government has deregulated well, one major industry for sure — the telephone industry, right? Some say it's been a good thing. Some of the review . . .

The Speaker: — I would like the member to bring the topic of the debate around to the motion that he is about to propose.

Mr. Wall: — Mr. Speaker, thank you for that. I raise these issues because when we talk about SaskEnergy, when we talk about this rate increase as the panel has recommended to the government, and when we ask the government questions about this issue, they always bring up these issues.

And it's frankly a little disingenuous because they are the government that has the agenda in terms of privatization. They've deregulated the telephone industry. They've introduced a Bill this session, the minister of SaskPower has, to deregulate the electrical industry. That's what it would do. And we'll have questions about that in committee.

But, Mr. Speaker, that is very significant as it relates to this issue. Because when residents, when consumers in the province of Saskatchewan hear about anything to do with gas prices — when they hear about gas prices going up 34 percent, when they hear that our prices will soon be higher than in Alberta which is everybody's whipping boy in terms of the price of energy — they get concerned. They think that this is the product of bad policy making in our province just as the high prices in Alberta may be the product of bad policy making in that province.

I think we've all agreed that the approach the Alberta government took in the gas industry has been wrong. I think they've made a number of mistakes. Everybody, I think everybody would agree with the process they've used.

But you know what, Mr. Speaker? When they hear that this government is willing to consider a 40 per cent increase in face of the fact that natural gas prices have dropped 40 per cent, they also think that that is bad public policy, Mr. Speaker. It's as bad as any provincial government has enacted anywhere, and that's why we want to have this debate.

The debate is about a motion that is very constructive, Mr. Speaker. It doesn't get into the details of what's needed and what isn't. It doesn't require the government to turn down SaskEnergy's request for help with the gas cost variance account, because clearly it's going to be . . . it's in arrears and it'll get worse before it gets better. Our motion doesn't provide

a blanket opposition to any kind of increase at all.

But it does call on this government to leave no stone unturned in terms of any measure it can possibly invoke to ease the shock of this increase, to relieve people a little bit from this increase.

And further, Mr. Speaker, because of the concern and question that exists regarding the price of natural gas today and the price SaskEnergy has used to make their forecast, because of that 40 per cent discrepancy — more now than the requested rate increase — we're asking the government to consider as one of those measures to simply send it back to the panel and say we appreciate the good work the panel has done, we know that the panel has hired industry experts but the gas commodity industry is obviously a volatile thing. It has been . . . that's been the record of it over the last number of months.

And so it is completely neat and right for this government to say: in light of the fact that the day you had your press conference, the headlines all over the country were concerning the slump in the price of natural gas, and in light of the fact that the price that day was \$4.75 a gigajoule and the request SaskEnergy made is based on \$7 a gigajoule, and if agreed to . . . if we agree with your recommendations panel, the rate will be \$7.28 a gigajoule — in light of all of that, we think it's completely reasonable and fair for the panel to reconsider those factors.

This is too important an issue, Mr. Speaker. There is too much at stake. There is too much at stake in our schools. There is too much at stake in our hospitals. There's too much at stake in our small businesses and in our municipalities, Mr. Speaker. There's too much at stake in our homes, in the homes of our constituents.

And I find it very unfortunate that the Minister of Finance, in one of his rants in response to the questions on this side, would question the motives of any of us. I think the term he used was crocodile tears.

The Speaker: — Why is the member from Moose Jaw North on his feet?

Hon. Mr. Hagel: — Mr. Speaker, I request leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hagel: — Mr. Speaker, with thanks to the hon. member for Swift Current, I would like to draw the attention of the Assembly to visitors who are with us from South Korea this afternoon and who are seated, Mr. Speaker, in your gallery.

In the gallery, Mr. Speaker, is the vice-president of Sung Kyul Christian University and professor of law, Dr. Kwang Sun Kim. He is accompanied by Mrs. Kim, who is an elementary teacher, and also accompanied by a missionary, Ms. Yang Imchoi.

Hon. members, I would ask all of us to please extend a warm Western Canadian, Saskatchewan welcome to our visitors from South Korea.

Hon. Members: Hear, hear!

PRIORITY OF DEBATE

Impact of SaskEnergy Proposed Rate Increases (continued)

Mr. Wall: — Thank you, Mr. Speaker. It was very disappointing in question period I think to hear the Minister of Finance question the motives behind our questions. I think the term he used was crocodile tears. That's what he called, I guess, our questions or the tone of our questions as if we don't have a concern about our constituents — whether they have a low income, a medium income, or a high income.

Well and the member for Regina South apparently agrees with the Minister of Finance that they are the only ones that care about people that may be on low income; that they might be the only group of people that care about those that might be able to effect energy bills. Yes, he says that's about right.

It's that ignorance, Mr. Speaker, it's that level of ignorance that has this government destined for the same place that its predecessor headed, Mr. Speaker. It is so out of touch and it is so arrogant, and now it's questioning anybody that criticizes it. The motives — whether it's the opposition politicians or not — motives are impugned, motives are questioned, Mr. Speaker. That's unacceptable today.

It's why the people of Saskatchewan are fed up with that government and it's why they can't wait to turf them out of office, Mr. Speaker. Because I haven't been a . . . I've only been an MLA since September of 1999 but, you know, I had the pleasure to get to know a lot of these people quite well I think over that period of time.

I think members on that side of the House would agree that in this job you get to know, well you get to know all the members of this Assembly a little bit, and you also get to certainly know your caucus members even a little better than that. And I'm not offended for me, but I'm offended for them because I've had the privilege of working with them. I've seen their attitude in terms of their work for their constituents. I've seen how they . . . (inaudible interjection) . . . Well and they're still chirping from their seat and laughing, Mr. Speaker, because this apparently isn't serious — to impugn the motives of the members across the way about why we would raise questions.

It's just absolutely sad, Mr. Speaker, because I happen to know these men and women and I happen to know about their motives. I've happened to see them in action in terms of trying to help their constituents. They've come to me and said there's this community rink that's threatening to close down, that it's going to have to close down simply because they can't afford to keep the lights on and the ice plant working. They've come to me with those, they've raised those concerns directly with the minister, they've called SaskEnergy. Well, Mr. Speaker, that . . .

The Speaker: — Order, order. Order. Thank you.

Mr. Wall: — Well, Mr. Speaker, I just think it's an indictment of the government. I think it's an indictment of that member for

Regina South, that he would choose to play that sort of politics, to assume that anybody who raises concerns on behalf of low-income people is doing so for anything other than the best of reasons, Mr. Speaker. It's very unfortunate.

It's not totally unexpected from a government that's morally bankrupt, from a government that fires people that try to report wrongdoing, from a government that breaks its health care promises, from a government that says it's against privatization and in the backrooms is planning the sale of Crowns, from a government whose leader makes energy decisions apparently by the toss of a coin and eight hours after he's made one pronouncement he flip-flops, Mr. Speaker.

That's the kind of government we have, so maybe we shouldn't be surprised of the attitude that we get over there. But I can tell you, Mr. Speaker, my constituents maybe aren't surprised by it but they are sick of it; and constituents of members represented over here, and I dare say the constituents of those members, are sick of it. And they are waiting for the day when they can give this group the boot in a big way, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Our motion also outlines several specific ways . . . or considers the government . . . requests that the government consider specific ways that they might be able to provide some relief. Make no mistake, Mr. Speaker. We're saying that based on the international forecast for gas that we've seen, and based on the level of costs that have been suggested by SaskEnergy, we believe that this entire increase may not be needed. Make no mistake about that.

But to the extent that some level of increase may be needed, we would also urge the government in this motion to consider every measure possible to provide some relief for Saskatchewan businesses and for non-profits and for families.

(14:45)

You know the Minister of Finance actually made the suggestion not long ago — one idea, that's pretty good — he talked about the government using its windfall oil and gas revenue, about \$400 million, to help pay down all or part of SaskEnergy's gas cost variance account. That is the account that was set up at the direction of the rate review panel last fall when the first 22 per cent increase was approved. And that account, at the risk of oversimplifying it, Mr. Speaker, simply measures the difference between the price SaskEnergy's getting and the price they have to pay.

And the panel told SaskEnergy clearly and rightly so, when it gets into the ditch in a big way, when it gets to a certain number, that should automatically trigger a request for another increase. That's what they said.

And so when word got out — and we were the first to break the story — that SaskEnergy was considering a 30 to 40 per cent rate increase, the Minister of Finance, to his credit, to his credit, started thinking about ways that he could help the people of Saskatchewan. Mr. Speaker . . .

The Speaker: — Order, order. I see several debates taking

place here. The floor properly belongs to the member for Swift Current.

Mr. Wall: — Thank you, Mr. Speaker. When we raise these concerns about the spectre of this increase, the government initially said there would be no relief other than that \$25 pizza rebate, Mr. Speaker. Other than an extra large cheese pizza, the government was going to provide no relief. The minister was even asked in the rotunda — and it's a matter of public record, the Minister of CIC (Crown Investments Corporation of Saskatchewan) — they said, well if SaskEnergy comes with this huge rate increase, will there be any more help and the minister said no. Twenty-five bucks; that's it.

A couple of days later, the Minister of Finance wandered out to the rotunda and publicly began to muse about paying down the gas cost variance account as a way to alleviate SaskEnergy's need for an increase. The media asked us what we thought about that. We said well that's one option that sounds pretty good. It's certainly a lot better than the Minister of SaskEnergy's pizza rebate — certainly much better than that. And we encouraged the government to consider that. So that's one measure, Mr. Speaker.

The other measure the government could consider as a result of our motion is a more general rebate to Saskatchewan families. There's good and bad of course with that. Rebate programs seem to always have inherent administration problems. There's always lines that seem to have to be drawn with this and people on either side of the line may or may not qualify. But it's an option that they have and I'm sure their officials are looking at that option.

And the other option, and one that we would urge the government to consider today, and we would urge them to provide some relief. If they've committed to that, then even better, I think, than the gas cost variance account might be some consideration for the government to assist with the distribution charge that the TransGas portion of SaskEnergy must charge. Even though that part's not being increased by the way in this rate request, and we readily admit that, the transmission fee isn't going up. But, Mr. Speaker, in our province there are other companies other than SaskEnergy that are selling natural gas. CEG is one and they employ a number of people in our province. And they sell gas on SaskEnergy's transmission lines.

Now, Mr. Speaker, as it turns out many of the customers of CEG are schools and hospitals, and large institutional organizations. And there are . . . of course in our province there's room for other providers.

We hear a rumour, in fact, that there is a natural gas company in Alberta considering also coming to Saskatchewan to do . . . to operate. So we heard that, Mr. Speaker.

Now what . . . they may not be interested . . . they may not be interested in coming, Mr. Speaker, if we as a government pay down that gas cost variance account and effectively subsidize one of their competitors. But, if we were to help people in terms of the distribution charge, that of course would alleviate that problem.

So through you today, Mr. Speaker, that's a suggestion —

hopefully viewed as a constructive suggestion — that we would make to the government and to the cabinet as they consider this rate review request.

We ask them to do two things. One, we ask them to look very carefully at the fact that the price SaskEnergy's based their request on is 40 per cent higher than the price being forecast to run through to October, 2002. That's the first thing. Excuse me, Mr. Speaker.

And the second thing is that we ask them to look at every measure of relief should some increase be approved. And the last one I want to reiterate again, because it's very important.

There are other gas suppliers operating in the province of Saskatchewan. Now there's not very many. Right now there's really only one major company and it's CEG. And they have many institutional customers and a good solid Saskatchewan-based company.

But there are others apparently at least having a look at our market, having a look at investing in the province. And if we could do something on the distribution side in terms of relief, if that's the direction we went, it would not be a disincentive for those considering investment in the province of Saskatchewan. Certainly that doesn't preclude some of the other initiatives as suggested by the Minister of Finance, but that is one that we would like to make.

But the heart of our motion . . . the heart of the motion today, Mr. Speaker . . . the heart of the motion today is that there is this huge discrepancy between the price that SaskEnergy has based its increase request on, and arguably the price that the panel has also based their recommendation on, and the price today, about 4.75 to 4.90, and the long-term price as forecast now by the New York Mercantile Exchange — if you want to check that on the Internet — by AECO in Alberta, by CIBC (Canadian Imperial Bank of Commerce), and others.

That's the price being forecast today, about \$5, and a high of about 5.30.

There is one other prognosticator involved in this debate, Mr. Speaker. There is one other economist who has waded into the debate about the price of natural gas, and that is none other than the Minister of Finance. The Minister of Finance waded in on what the future price of gas would be.

And all you've got to do is check out page 44 of his budget, Mr. Speaker. We've heard from the banks, we've heard from the economists, and now I am going to refresh the memory of my colleagues, the prognostications of . . . the Minister of Finance — what does he say?

What does he say? Natural gas, Canadian dollars per gigajoule, 2002, Mr. Speaker — and by the way, this rate increase will take us to October, 2002, so it's very germane; 2002 is exactly the time period that we're talking about — and the price is \$3.39 a gigajoule. That's about half — half — of the \$7.28 . . .

The Speaker: — I notice that the . . . on the Votes and Proceedings that the motion for Tuesday involves, specifically, exactly what the member is talking about now. I think perhaps

we should be sticking with the motion here because we'll have an opportunity to debate that tomorrow.

There is such a rule called anticipation of debate which we very, very rarely talk about, but this being that specific, I'd prefer if the member would omit that part.

Mr. Wall: — Well, Mr. Speaker, other members will touch on this. It is germane; it's the forecast for the price of gas made by the government — the same cabinet that will be considering the request of the rate review panel.

Mr. Speaker, this motion is, this motion is a constructive one. It urges the provincial cabinet to consider every possible measure it can to blunt the effects of this very serious increase. And also to consider sending this back to the rate review panel, pending the clarification of what the future price of natural gas will be. What is the price? Who do believe? The Minister of Finance, the economists, the bankers, the rate review panel, or Ron Clark.

So with that, Mr. Speaker, I would move, seconded by the member for Saltcoats:

That this Assembly urge cabinet to implement measures to reduce the severe negative impact on homeowners, businesses, farms, and public institutions of the Saskatchewan Rate Review Panel's recommended SaskEnergy rate increase; and that, in light of recent forecasts projecting a dramatic decline in natural gas prices, this Assembly urge cabinet to reconsider rejecting the current recommendations and referring the matter back to the Saskatchewan Rate Review Panel for further consideration.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I am glad to have the opportunity to take part in such an important debate today because, Mr. Speaker, my colleague from Swift Current talked numbers and talked a number of areas where we don't feel that there's an actual need for the dramatic increase that's being asked for by the utility rate panel, and the worry we have that the government, as usual, will just rubber-stamp it and let it go through.

Mr. Speaker, my part today, I would like to touch on and try and convince the cabinet not to pass on this rate hike to the people of Saskatchewan. I'd like to touch on a number of areas in the province that I feel will be affected if this increase goes through, the dramatic increase, Mr. Speaker, that's being asked for by SaskEnergy.

The first area I would like to touch on, Mr. Speaker, are our seniors in the province of Saskatchewan.

Mr. Speaker, our seniors are the most vulnerable people in this province when it comes to our utility rate increases. We've seen in the past, SaskPower, SaskTel, SGI (Saskatchewan Government Insurance), and SaskEnergy in the past have all had increases for the last number of years, Mr. Speaker, passed on to the seniors of this province.

Where in many cases our seniors have nowhere to pass this on, Mr. Speaker. They're on fixed incomes. And even the people that aren't on fixed incomes, Mr. Speaker, many people out there that have put a little money away for their retirement, it's being gobbled up now by such things as utility rates in the province of Saskatchewan, and when they get to the point they have no more money stuck away, they are actually on fixed incomes and in the same boat as many other seniors out there.

We must also consider, Mr. Speaker, that there's many seniors out there that are living by themselves. Might be a widow, might be the woman or the man in either situation that have nowhere to look for the increase they need to pay their utility rates. And, Mr. Speaker, I think, Mr. Speaker, one of my concerns is we're doing exactly the opposite of what I feel and I think many in this province feel we should doing is trying to promote seniors to be able to stay in their homes as long as they possibly can.

Mr. Speaker, what is going to happen here is when they get to the point that they cannot afford to stay in their own homes, they have very few alternatives. They either have to find a low rental apartment, Mr. Speaker, which will also be affected by these utility rate increases or, if they're in the condition where they may have to find some type of a home, and then the government or the province or the taxpayers will have to try and help these people survive.

So, Mr. Speaker, when we should be trying to assist our seniors to stay in their own homes, what we're actually doing here is driving them out of their own homes. And completely the reverse psychology of what we should be looking at.

Mr. Speaker, when we talk of seniors out there right now, their costs go up and the increase to their pensions, well for all intents and purposes, stay the same. I know my parents, Mr. Speaker, would actually ... probably a 50-cent-a-month increase is about the biggest increase that they get out there. Now if you're going to jack our energy prices up by \$400 a year, a 50-cent-a-month increase for our seniors out there — and that's a couple, Mr. Speaker — is not going to go very far.

Mr. Speaker, I'd like to move on now and talk about an area that I'm quite familiar with, and what it will do to municipalities of all kinds, Mr. Speaker, whether it's towns, cities, villages, or RMs (rural municipality). It's going to affect every one of them, Mr. Speaker, because they all look after such things as skating rinks, curling rinks, swimming pools. Most, most municipalities have big sheds to store machinery in. All of these things cost many dollars at the present time to heat and provide power for. If an increase like this goes through, they have nowhere but to pass those costs on to the local taxpayer.

Now keeping that in mind, Mr. Speaker, we remember that in the 2001 budget, the revenue-sharing grants were raised ... what? They weren't. They were actually froze at the level they were before. So where do the municipalities pass this increase on to? The local taxpayer.

So really, in essence, Mr. Speaker, in essence what we are seeing here is a tax increase. Because on one hand, the government of the day comes along at the end of the year and raids the utilities, takes money out of the utilities and dumps in

general revenue. But when it comes back to returning some of that money to things like the municipalities, they forgot to return any of that windfall to them.

Mr. Speaker, another area I'd like to talk about is farmers. The farming community, as we know, Mr. Speaker, and I believe you know as well as I do that agriculture is having a very, very hard time right now, Mr. Speaker. And the last thing that farmers need, that agriculture, any agriculture business of any kind out there needs right now is an increase to any utility rate.

SaskEnergy, Mr. Speaker, when we talk about drying grain or a number of processing plants . . .

(15:00)

The Speaker: — Order, please. Order, please.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, when agriculture, and it doesn't matter which area of agriculture you talk about now — that it could be for grain drying, it could be for processing plants, dehyd plants — SaskEnergy costs for any part of the farming operation right now is the last thing that these people need out there to increase their costs, that we've had just fertilizer costs skyrocket, our fuel costs have skyrocketed.

At the same time, Mr. Speaker, when our grain prices and the product that the farmers are selling has actually been dropping for the last number of years, they're caught in a squeeze where, along with all the others — the seniors I've talked about, municipalities — they're in no position to be able to pick up the tab for an increase in utility rates, especially when we don't feel, Mr. Speaker, that it's justified at this time.

Mr. Speaker, I'd also like to talk about businesses in this province, and I think this is key. This is key to the economy of this province, Mr. Speaker, because with our high tax rates, the highest in the country from what we understand, businesses are up against it already, Mr. Speaker.

If we pass on these high utility rates, many of these businesses are probably going to either go under or sell out and move somewhere else, and there goes our tax base, Mr. Speaker.

Mr. Speaker, it just, it's just an impossibility for businesses in this province, after paying the tax structure that we have set up, to be able to afford utility rate increases of any kind, Mr. Speaker, but in this case SaskEnergy, they just can't afford it and will probably in many cases go under or shut their doors — something we definitely cannot afford, Mr. Speaker.

Mr. Speaker, I was talking about rinks a minute ago and I'd like to read a letter that the member for Thunder Creek received today, an e-mail, and I'd like to quote, Mr. Speaker. It says:

Dear Mr. Stewart:

My husband and I are on the volunteer board of the Mortlach Centennial Centre Rink. The rink is all volunteer run without a single paid employee other than the two students who teach skating. We have over 50 kids taking skating lessons, three kids' hockey teams and a pre-hockey

program, adult and student curling league, as well as around 80 children participating in the school curling program. The playschool and horse club and 4-H also use the facility.

Our number one expense is utilities.

I repeat that, Mr. Speaker, this taxpayer letter to the member for Thunder Creek:

Our number one expense is utilities. It has of course become more difficult every single year to keep up with the fundraising involved to pay those bills; add to that the increased demand charges, delivery fees, taxes, base fees of those bills and we're barely hanging on. If this suggested increase is approved, I cannot see how we will be able to keep this facility open much longer.

Mr. Speaker, that lady sums my point up dead-on. What she's saying is if this increase goes through as it's being asked for, there is one rink and one example that will probably have to close their doors and not be able to provide the . . . what they've been providing for the people of their community.

Mr. Speaker, today in question period the Minister of Finance kept talking about the lowest energy prices in Canada. He said that on a number of occasions. But I think the minister is caught in the past, Mr. Speaker. What he's talking about is yesterday. Because tomorrow, if that cabinet approves the increase that's being asked for, we will once again be probably the highest energy rates in the country, in Canada.

Mr. Speaker, we're already known to have the highest taxes in the country. Well I probably should reword that, Mr. Speaker, probably second only to Newfoundland. Mr. Speaker, if that's a sympathetic ear for the minister to hear, we're second worst in the country, behind the province of Newfoundland.

We're already known for probably the longest waiting lists in health care, Mr. Speaker.

Now we're going to be talking about one of the highest energy rates in the country. And the minister, Mr. Speaker, likes to talk about don't compare Alberta because they've deregulated and their price is away up here. What he forgets to mention is, Mr. Speaker, is that . . . I believe in the province here we rebated \$25. The member for Swift Current likes to talk about a pizza in comparison for the \$25.

Well, Mr. Speaker, can you imagine how many pizzas, how many pizzas in Alberta you could buy for \$1,600 a year? Most people in Alberta, Mr. Speaker, could probably eat for three months of the twelve months, just on the rebate that the Alberta government rebated back to the people of Alberta.

So sometimes it's not convenient for the Finance minister . . . and I know he doesn't want to talk about Mr. Klein and Alberta, but that's a fair comparison because that's fact — \$1,600 rebate in Alberta; \$25 in Saskatchewan.

Mr. Speaker, I'd like to also talk about our school divisions because I know as the Minister of Education likes to blow the horn of the government over there, that he's moved so

comfortably in with, that he talks about the increased funding for education. I believe if I remember the numbers right — and I'd hate to be wrong, Mr. Speaker — I believe he talked about a \$32 million increase.

But it's funny at the same time that this increase was passed on to school divisions, we're receiving responses from school divisions all over this province that are having to raise their taxes. Not always raising their mill rates because in some cases they've lowered their mill rates, but the assessment, Mr. Deputy or Mr. Speaker, has climbed so that actually the dollars they're taking in have increased.

Now if this \$32 million was such a windfall for school divisions, Mr. Speaker, why are school divisions still having to raise their taxes?

Now, Mr. Speaker, if we add to school divisions this enormous cost, this enormous increase to SaskEnergy prices, can you imagine, Mr. Speaker, what it costs to heat a school? The size of a building, the size of most schools out there in the province of Saskatchewan, can you imagine what that's going to add to the school divisions' costs and who do they have to pass it on to? Well, Mr. Speaker, once again the local taxpayers.

Mr. Speaker, the Finance minister in his budget of this year predicted under \$4 a gigajoule was his long-term prediction for gas prices. Now today, SaskEnergy is saying they're going to be locked in around \$7, their prediction is \$7. And the minister today in question period backed that up and kept saying, Mr. Speaker, that's probably what it's going to be.

Well most companies that predict what gas prices are heading, where they're heading, Mr. Speaker, are talking \$5 — a tremendous difference, Mr. Speaker.

Mr. Speaker, if the utility rate review panel had of known — and I wonder if they did, Mr. Speaker — would they have known when they did this rate review that they weren't going to be \$7, that they may be going to be 5, would that rate review panel have been suggesting such a large increase? If they would do that rate review today, I would think, Mr. Speaker, they would probably come in with different recommendations.

Maybe, Mr. Speaker, what we should be doing is going back to the rate review panel and saying maybe we should take a second look. Because the gas prices per gigajoule are not exactly where we thought they were going to be. Now that's contrary to what the Minister of Finance is saying, but it's not out of context for the Minister of Finance to change his mind like he did from — what? — 3.50 a gigajoule up to 7 at this present time.

Mr. Speaker, another area that I believe it's going to hit very hard and it possibly has already, but if it hasn't I'm sure it will shortly, and that's the plight of renters out there, Mr. Speaker. Mr. Speaker, many apartment block owners, somewhat like the schools out there, are going to see a dramatic increase in their energy costs. Possibly not so much through the summer months, but as we get into fall, if this huge increase is passed on, we're going to see rent increases all over this province. Just another way to punish people in the province of Saskatchewan. And, Mr. Speaker, many low-income people are renters. Many

low-income people can't afford to own their own home.

Once again, we're going to be hurting the people that can least afford to pay these extra costs, Mr. Speaker. And in a way what we're doing is passing, as I said before — we're doing more than passing on a hidden tax. We come along at the end of the year, we raid the utilities, we dump it into general revenue, and now all of a sudden we're asking for a tremendous increase to the energy costs.

At the same time, Mr. Speaker, when this government brags about their slush fund — their \$700 million slush fund. And, Mr. Speaker, I sometimes wonder what we're saving that for. Is that going to be the next election campaign slush fund for the NDP, whenever they get the intestinal fortitude to call an election? And, you know, Mr. Speaker, I honestly don't believe \$700 million will do it. I honestly don't believe, Mr. Speaker, \$700 million will do it.

Mr. Speaker, I'd like to talk just for a minute about how these increases will affect the people in the Saltcoats constituency — my own home constituency. Well actually, Mr. Speaker, I don't think there's any difference all over this province. The Saltcoats constituency and 50 other constituents . . . 57 other constituencies in this province, Mr. Speaker, are going to be affected the very same. The seniors, low-income people, hospitals, schools, municipalities, businesses — there's no end, Mr. Speaker, to where this cost is going to hurt the people of Saskatchewan.

So, Mr. Speaker, I would take great pride in seconding the motion the member for Swift Current put forward and would hope that the cabinet of the day would have the foresight to turn down that request, or at least to review the rate review panel's decision. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Thank you, Mr. Speaker. At the conclusion of my remarks, I'll be making a motion to amend the motion of the opposition to change the word "implement" in the first line to the word "consider"; and to delete everything after the word "increases" in the third line.

Mr. Speaker, it was interesting to listen to the member from Swift Current talk about natural gas prices and how supposedly he and the opposition don't like people to have to pay natural gas price increases. Because of course, the question that comes to mind is why, when the member from Swift Current was working with the Devine administration in the 1980s, and others over there were part of that administration, they sold off and privatized the natural gas reserves of the province. That's what they did, Mr. Speaker.

We owned the natural gas reserves, the people owned them; they sold them at fire sale prices. And they said that the people of the province should go to the market and buy their natural gas at world prices. And of course, that's what has happened.

Now they say well, how did this happen, that the prices go up? Well the reason, Mr. Speaker, is largely because they did that in the 1980s. They also tried in the 1980s — and they don't like us to talk about the Devine administration that they were a part of

— but what they also did, Mr. Speaker, is they tried to sell off SaskEnergy to some of their rich friends.

That's what they wanted to do then. And we have to remember and remind the people, that's what they want to do now. The Leader of the Opposition has said publicly that they want to sell off some Crown corporations so that they can pay for their tax cut plan for the rich. That's what they would do. And then supposedly somebody would come along after they were in power to pick up the pieces once again, and then they would do what they do best, which is to complain about it.

Now the member from Swift Current makes much of the fact that this government, he says, is in favour of privatization as they are, because we sold our shares in Cameco and we sold our shares in the upgrader.

And I want to say, Mr. Speaker, so that there's no doubt and so that it's on the record, we do not share their view that the utilities of the province, including SaskEnergy, should be sold off to their rich friends and privatized. That is not our view.

I want to say that one has to be very cautious, Mr. Speaker, listening to those members when they start talking about numbers. And we must remember what they advised the government to do in the past. The member from Swift Current raised the question of the upgrader. Well, let's look at that.

The upgrader, Mr. Speaker, was an investment made by the Devine government in approximately 1988. And up until approximately 1993 the people of the province had invested somewhere in the neighbourhood of \$220 million in the upgrader. The Government of Canada and the Government of Alberta had also made investments. And they, in 1994, sold off their share of the upgrader, Mr. Speaker, and they sold their shares for 7 cents on the dollar — 7 cents on the dollar.

And that opposition wanted us to do the same. And when the premier of the day, Mr. Romanow, and the cabinet of the day said no, we're not going to sell our share, the people's share for 7 cents on the dollar, we were ridiculed — and I remember it, Mr. Speaker — by the members opposite. They said, you don't know how to run business, you should privatize, you should sell for 7 cents on the dollar and pick up \$20 million they said, for a \$220 million investment. That was their advice.

And I want to say, Mr. Speaker, that we did not take their advice and privatize at that point. We did sell that interest later. And you know what we were paid, Mr. Speaker? We were paid 100 cents on the dollar, not 7 cents, because we did not take the advice of the members opposite. And we made money.

(15:15)

And I want to say that the person who is the Leader of the Opposition now, the member from Rosetown-Biggan, was not in the House then, so somebody might say, well he wasn't with the rest of them telling you to privatize.

Well that's not correct. He was in the House of Commons with the Reform Party, now led by Stockwell Day under a different name, the Canadian Alliance, as this group of individuals is under a different name, the so-called Saskatchewan Party

instead of the Conservative Party.

But I want to say, Mr. Speaker, that the member from Rosetown-Biggan who then was in the House of Commons was talking about what the Government of Saskatchewan was doing with the upgrader and not selling it for 7 cents on the dollar. And you know what he said — this is in *Hansard* — he said:

Oh yes, the Government of Saskatchewan is hanging onto that white elephant.

Because his advice was we should sell it off for 7 cents on the dollar.

Now what the Leader of the Opposition wants, and his colleagues, is that we will sell off SaskEnergy for a pittance to a bunch of their rich friends. And we have said repeatedly, Mr. Speaker, we're not going to do it.

But I want to say also the member from Swift Current then gets into the fact that we sold some Cameco shares. And this is a very interesting story too. And I was here in the Legislative Assembly when the Cameco shares were selling for less than \$20 a share, Mr. Speaker. Those people were screaming at the government over here to sell those shares. They were screaming at the government, and I remember it, Mr. Speaker, to sell those shares at less than \$20.

We didn't take their advice. And it's true we did sell some shares. We sold them at \$73, Mr. Speaker, and we obtained \$700 million net for the people of the province, which we used to pay off debt.

I won't go into the fact of where the debt came from because I think most people in the province are aware that the debt of the province came from those members when they occupied the government benches. People know that now.

So now these members come in and they want to criticize SaskEnergy, the Crown corporation, for the price . . . charges consumers for natural gas. And I want to say, Mr. Speaker, if there is any fairness, any fairness on the side of the opposition to give some credit where credit is due.

I'm going to read out the price of natural gas in Saskatchewan compared to other parts of the country. Vancouver, 8.82, \$8.82, Mr. Speaker, for a gigajoule of natural gas; Regina and throughout Saskatchewan, 4.52 — not 8.82 as charged by the private sector, but 4.52; Edmonton, 8.77; Calgary, 9.81; Winnipeg, 8.42; Toronto, 9.54. Mr. Speaker, Saskatchewan, 4.52 — Saskatchewan, one-half the cost of anywhere else.

And the member from Saltcoats gets up and he says — and get this, Mr. Speaker — he says the government should pay the people rebates for their natural gas like they do in Alberta. But why did they do that, Mr. Speaker? They do it because they first forced the consumer to pay twice as much or more for natural gas as we do in Saskatchewan, then they say, we'll give you some of your own money back.

In other words, the government bribes people with their own money, but the private sector that owns the natural gas, they get the \$9 — they get the \$9. And then the government, after the

person has paid that, gives people back some money. And the member from Saltcoats thinks that makes sense and says we should pay rebates like in Alberta. No.

What we should do, Mr. Speaker, is keep the price as low and reasonable as possible. We buy it on the world market, we have to pay whatever the price is, but we are charging less than anyone else because we have a public utility that is owned by the people. And it's true, Mr. Speaker, that the opposition will always . . .

The Speaker: — I just wanted to mention one thing to the member. It's a matter of use of language. We do not expect anybody in this House to accuse the government of bribing people with their own money, and I think we should pay the same respect to any other government across the country. So I just ask the member to be careful with his language.

Hon. Mr. Cline: — Thank you, Mr. Speaker. And I want to say that when we're listening to the opposition we have to remember, Mr. Speaker, that we must be very, very careful listening to the advice of the opposition and listening to them when it comes to talking about numbers. Because as most people in the province know, Mr. Speaker, most of the time, if not all of the time, when the members opposite start talking about numbers, they have it wrong.

And that's why when they were in office, they ran up a huge debt. But I want to say, when the opposition talks about the price of natural gas, the fact of the matter is that our price is the best price in Canada, Mr. Speaker. There's no question about that.

And the opposition wants to quote *The Globe and Mail* and others that are saying the price will go down. But what they don't tell people is this. And I'm quoting from the same article in *The Globe and Mail* where it says that a certain Ms. Holder, who is industry analyst says: "Current consumer rates are \$9 for 1,000 cubic feet."

The current rate is about \$9 for 1,000 cubic feet. More than twice what the current rate in Saskatchewan is, Mr. Speaker.

Now the opposition says, well why will the rate go down elsewhere. Well it's very simple — because they're charging so much more than they do in Saskatchewan.

And why would the rate go up here in Saskatchewan. It's very simple, because the rate has never gone up to that \$9 range, Mr. Speaker, that they have in Alberta. It's never gone up to that.

And these people in the opposition want to tell the public that it would make sense to have that rate go up to \$9 under privatization, have the consumer pay it, and the government could then rebate money back to them, Mr. Speaker. That is not a sensible plan. It's not what we're going to do. It's not what we propose.

What we propose, Mr. Speaker, is that we will keep SaskEnergy in public hands; we will not sell it off. And we will do the best we can to make sure that SaskEnergy offers the best price that it can in fairness to the consumers, without leading either SaskEnergy or the government into deficit and debt. That's

what we're going to try to do.

And I want to say, Mr. Speaker, just in response to something that the member from Saltcoats said. He's trying to say that our taxes in Saskatchewan are the highest in the country, and then he said the second highest; and he says we have the highest utility rates.

Well I want to say to the members opposite and, in fairness, to all the people in the province, on utility rates we have historically had the lowest bundle of utility rates in the country, or certainly the second lowest throughout the '90s, Mr. Speaker. Eight provinces are higher than Saskatchewan, and some of them are much higher. And that . . . the record will show that, Mr. Speaker.

But I also want to say to the member from Saltcoats who's complaining about taxes . . . I'm not sure, by the way, how he's going to have lower taxes and pay out the rebates that he wants to pay to people after they privatize SaskEnergy. But that's another story for another day.

By magic, one of the members says — probably voodoo economics. It's the sort of proposal that Stockwell Day would make I think, Mr. Speaker. Because it shouldn't be forgotten that it was actually under Stockwell Day's leadership, I think, as provincial treasurer in Alberta, that a lot of this privatization probably occurred. And then those members were instrumental in installing Stockwell Day as Leader of the Opposition in Ottawa.

And so I think there is a parallel between what they've done in Alberta with the privatization and what those members want to do. But all you really have to do is look at their own statements to see what they want to do.

But I want to say a word to the member from Saltcoats and the public, Mr. Speaker, about taxes, because in fact the member is wrong. If you look at the personal taxes that people pay in the province of Saskatchewan, and nobody ever likes to pay taxes no matter what the rate is, we have the second lowest bundle of personal taxes in the country . . . (inaudible interjection) . . . I'm sorry, the fourth lowest — not the second highest but the fourth lowest. Mr. Speaker, there are six provinces that have higher personal taxes than we do.

And I want to remind the member from Saltcoats . . . this is from the president, outgoing president, Pat Pitka, of the Saskatoon Chamber of Commerce. These are not my words, Mr. Speaker; they're from the Saskatoon Chamber of Commerce. And Mr. Pitka reports:

The year 2000 started with Saskatchewan Finance minister introducing the largest personal tax reduction program in the history of the province.

And we did do that, Mr. Speaker. And then he goes on to say:

This was and is a great initiative and should help business and the province grow.

And then he adds:

The recent provincial budget reduces the corporate tax rate by 25 per cent for small businesses starting this July, and this will also help our businesses grow and hopefully stay in the province.

And the point that needs to be made, after we listen to a speech like the one given by the member from Saltcoats which was full of inaccurate information, Mr. Speaker, is that we have about the lowest bundle of utility charges, certainly the lowest natural gas costs, whether the members over there like it or not, and we have the fourth lowest personal taxes in the country.

And in fact I could go on and tell the member from Saltcoats that we have the second lowest marginal income tax rate in the country, Mr. Speaker. We used to have one of the highest, I think second highest; now we have the second lowest.

And very importantly, one of the members reminds me, as part of the . . . well actually on January 1 this year, we abolished the Saskatchewan flat tax which was the most regressive part of the income tax system, as most reasonable people know — a tax brought in by the members opposite when they were in power in the 1980s, and increased four times.

Well so what I would say is this, Mr. Speaker. In conclusion, I want to say this — that there are two competing visions in this House. There is the vision of the opposition which says that we will sell off SaskEnergy and our utilities and let the people pay their private friends in the private sector whatever the market will bear.

And I might add, if we didn't have SaskEnergy, which they wanted to sell in the 1980s, we wouldn't be having this discussion, because we'd be the same as Alberta. It would all be privatized and we'd be paying whatever the private companies forced us to pay. The reason that those members opposite can get up and tell us what we should be doing in terms of charging the rate, Mr. Speaker, is because we have SaskEnergy and because it is sensitive to the needs and views of the public, unlike what they would do.

So their vision, Mr. Speaker, and their hidden agenda, not so well hidden, is to sell off the utility, privatize it, and let the consumer bear the cost. That's what they want to do. Our vision is to keep it but to do the very best job we can, keeping the rates the lowest, if we can, in the country. And that's what we're going to try to do.

So I'm very happy to move, seconded by the member from Meadow Lake, Mr. Speaker:

That the word "implement" be deleted and substituted with the word "consider," and that all the words after the word "increase" be deleted.

And I so move.

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. It certainly gives me pleasure to enter into this debate, and I will be of course seconding the amendment as made by the member from Saskatoon Mount Royal.

First of all, Mr. Speaker, I want to point out to the public of Saskatchewan and to the members opposite if they're not yet aware — we've said this a number of times in the House, Mr. Speaker — but SaskEnergy has provided the lowest rates, Mr. Speaker, in fact in all of North America.

(15:30)

Mr. Speaker, and in the last 20 months, because of the very good investments that SaskEnergy has made, they have saved the people of Saskatchewan some \$175 million, Mr. Speaker. I repeat, \$175 million. They've been selling natural gas at about \$4.52 per unit or per gigajoule, Mr. Speaker.

And, Mr. Speaker, in addition to that . . . they've had these rates very low, but in addition to that, Mr. Speaker, many of our Crowns have provided very low rates including Saskatchewan Government Insurance amongst the lowest in the country. SaskPower, they've had their rates frozen for five years, had a modest overall increase of 2 per cent, Mr. Speaker. Our utilities, I would argue, have served the public of Saskatchewan very well.

But, Mr. Speaker, the gas variance account, as established most recently by SaskEnergy but that has to be created for every gas utility, including private utilities, Mr. Speaker, currently sits with a deficit of approximately \$80 million, I'm told.

The independent rate review panel has reviewed that and determined that they should in fact have the right to recover that amount of money. Because of the rising increase and because of what they've been charging, 4.52, should have that right to recover it.

They have, Mr. Speaker, the right to recover that deficit over a two-year period. In the event — and I say this for the public of Saskatchewan, Mr. Speaker — in the event that there is an overcharge, that there is an overcharge, they also will have to refund back to the people of Saskatchewan any surplus that would be generated in that account over a two-year period.

Mr. Speaker, you know the member opposite from Swift Current asked, as did the members opposite, asked, for an independent rate review panel. And in the 1980s, the panel existed and the Devine government of the day, members opposite were included then, decided to get rid of it because they didn't like what the panel said.

But now again when they're back here in opposition, they ask our government, Mr. Speaker, to create an independent rate review panel, Mr. Speaker. We've done that. We've done that.

And, Mr. Speaker, if I could, I'd like to quote from the *Regina Leader-Post* of July 27 of last year. And I quote, Mr. Speaker, the member from Swift Current:

Wall said that if this is going to be an independent rate review committee, let's trust the process (Mr. Deputy Speaker).

He says, let's trust the process.

Well isn't that interesting. Here we have an application by

SaskEnergy to the independent rate review panel. The rate review panel makes a recommendation. And now, listen to the members opposite now, Mr. Speaker. Listen to the opposition members now. Now they don't want to trust the process any more, Mr. Speaker.

And I refer again, just to show how contradictory the members can be, the same member, from *Hansard*, Mr. Speaker, on May 4 of this year says, why are you putting the people of Saskatchewan through this process?

Why doesn't the minister just make the announcement?

Well, Mr. Speaker, isn't that incredulous. On one hand, in the 1980s they have an independent panel, they get rid of it. In the 1990s and in the year 2000 and 2001 they say, create an independent panel. Now they say get rid of it, don't listen to it any more, Mr. Speaker. You can't continue to have it both ways, Mr. Speaker. You can't continue to have it both ways.

Mr. Speaker, you know, I think with one exception, with one exception, there is probably one location in North America that I have found that probably does have overall lower gas prices, Mr. Speaker, natural gas prices. That is the city of Medicine Hat.

And do you know what's unique about the city of Medicine Hat, Mr. Speaker? The city of Medicine Hat owns its own gas reserves. They didn't sell them; they own them, Mr. Speaker. You know what happened to us in the 1980s? Those members opposite, Premier Devine at that time, they sold our gas reserves, Mr. Speaker — they sold them.

So the only place, the only place that I think — I'm not sure of this, but I think — has lower gas prices, natural gas prices, than us here in Saskatchewan, is the city of Medicine Hat that owns their own gas reserves.

Mr. Speaker, the members opposite also have asked for us to provide rebates. Well, Mr. Speaker, we think that the best way is to provide on an ongoing basis the lowest rates possible, instead of charging people an exorbitant amount and then paying back to them with their own money in some sort of a rebate.

They've talked about, and I've listened to the members opposite from Swift Current and Saltcoats, saying that in Alberta they've received a large rebate of some \$1,600. Well, Mr. Speaker, the public may not know this — I know the members opposite know this, but the public may not know this — but in Alberta they have been charging consistently, for a number of years already, some 15 to 20 per cent more than SaskEnergy has charged here in Saskatchewan.

But, Mr. Speaker, I think the big thing to remember is that here in Saskatchewan SaskEnergy — this is more than about pricing as well — SaskEnergy provides service to 92 per cent of the population of Saskatchewan, servicing many of the ridings that those members represent over there, Mr. Speaker.

And, Mr. Speaker, you know something really interesting, as the Minister of Energy and Mines and as the Minister of Crown Investments Corporations, I quite often get lobbied from

members who represent constituents along the Alberta border. And along the Alberta border, in some circumstances those residents of Saskatchewan are served by Alberta utilities, where they buy gas from Alberta companies, Mr. Speaker.

You know what those members are lobbying for? They've been lobbying our government to try to get those members to be serviced by SaskEnergy — SaskEnergy, Mr. Speaker. So while they complain over there that SaskEnergy has high rates, they lobby, Mr. Speaker, for service by SaskEnergy. It's incredulous — absolutely incredulous.

Mr. Speaker, I want to refer, if I could, to an interview that was done on CJME Radio by Mr. John Gormley, who interviewed Peter Linder, an energy analyst from Research Capital Corporation in Calgary. Here's what he said in that interview. He said:

I want to congratulate SaskEnergy first for their astute hedging program in using the storage facilities to offset these high gas prices. I would suggest the people of Saskatchewan are extremely lucky to be paying \$4.52 a gigajoule when the price here in Alberta is a lot higher. It is basically twice as much.

... here in Alberta (I repeat) ... It is basically twice as much.

An industry analyst and expert, Mr. Speaker.

Mr. Speaker, we recognize that there are higher gas prices and that there will likely be an increase in the price of natural gas, Mr. Speaker. In fact, across Canada nearly 4 million people — energy consumers, gas consumers — will be paying higher prices. And in the United States nearly 60 million people will be paying higher prices largely, Mr. Speaker, as a result of feeling the effects of pipeline expansion to the US (United States) by private producers, as well as the growing American economy.

But, Mr. Speaker, you know what's really interesting, is there is no guaranteed supply. The complaint down there is of course that they're paying higher prices for natural gas but their bigger complaint is that they have no guaranteed supply. And I guarantee you that will not happen here in Saskatchewan. We have a guaranteed supply at a very reasonable rate, Mr. Speaker — a very reasonable rate.

And, Mr. Speaker, SaskEnergy in the past, as you will be aware, I've referred to it, has been selling for the last considerable period of time at 4.50 a gigajoule and have been buying now most recently on the open market. And of course they are price takers, they're not price makers so they are simply passing through the price of natural gas with no additional revenue to them at all. As a matter of fact on the price of gas, there's absolutely no revenue for SaskEnergy. And, Mr. Speaker, I would congratulate SaskEnergy for having done an outstanding job to this point in time.

Mr. Speaker, as well, the panel has made its recommendations and not, I think ... the member said if ... The members opposite have said in some of the questions earlier today and in some of the speeches that we've just heard, that if they'd had

more up-to-date information.

Well, Mr. Speaker, the independent rate review panel, in fact, doesn't just make these decisions and recommendations all on their own. They do public consultations and they also bring in with them experts in the area, Mr. Speaker. And in fact they have received the advice of experts, consulting experts, from out of the province of British Columbia, who in fact agreed with the application by SaskEnergy, with some very, very modest recommended changes.

But these are experts, Mr. Speaker. And somehow the member from Swift Current and the member from Saltcoats and the members opposite in the opposition in the House today, during question period, they know a lot more than the experts do, Mr. Speaker. Somehow they know a lot more than the experts.

Mr. Speaker, that's one of the reasons why we turn this over to an independent rate review panel, and we listened to the recommendations that they made about creating an independent rate review panel. And now the members say don't pay any attention to the independent rate review panel and the experts; we know better now, Mr. Speaker, we know better.

Mr. Speaker, I want to also point out, as did our Minister of Finance, that here is some of the most recent rates, Mr. Speaker, as being paid by people across Canada. In Vancouver they pay roughly \$8.82 a gigajoule. In Edmonton, Alberta, they pay \$8.77 a gigajoule. In Calgary, it's \$9.81 a gigajoule. Here in Saskatchewan yet it's not changed, it's still 4.52 a gigajoule — nearly half the price — in fact, less than half the price. And in fact in Winnipeg, it's 8.42. And in Toronto, it's 9.54 per unit of gas or gigajoule.

And, Mr. Speaker, if the recommended increase is approved — if it is approved — it would still have the lowest price of all of those jurisdictions, still the lowest price, Mr. Speaker.

And in fact they talk about the most current information. Well I just happened to just pull off the Web site just a few minutes ago . . . This from BBC News Online with respect to business, Mr. Speaker. And do you know what the headline is? It says that, "Oil nears \$30 a barrel on Iraqi cuts," Mr. Speaker.

The price of oil has risen to a four-month high after Iraq cut exports ahead of the Organisation of Petroleum Exporting Countries (Opec) meeting on Tuesday.

Oil prices surged as Opec secretary general Ali Rodriguez raised doubts that the cartel's 11 members would raise the protection to fill the supply gap left by Iraq, which accounts for 5% of the world's crude supply.

Now I know, Mr. Speaker, that's oil prices; Mr. Speaker, it's not natural gas. I acknowledge that, Mr. Speaker. But, but, Mr. Speaker, I only use this to illustrate that prices are extremely volatile, not only in natural gas but in the oil, in the oil sector, Mr. Speaker, and in the gas, in the gas sector. And in fact natural gas was at \$17 a gigajoule. And I want to refer to this article of . . . from *The Leader-Post* of Saturday, June 2nd, in which it is said that . . . the headline, I should say, says that "Views differ on price."

Many other analysts say the commodity price this year will average about \$7 a gigajoule — the price SaskEnergy wants to raise its rates to from the current price of \$4.52.

And I quote now. It's the . . . the following quote is:

"We're using \$7 as an average gas price for this year. But that's not out of line with the average market forecast," Wilf Gobert, an analyst with Calgary-based Peter's & Co., told the *Leader-Post*.

Gobert also noted that the price was at \$17 a gigajoule and acknowledges that the price is very volatile.

Mr. Speaker, my point in this quote is that — what I want to make — is that in the 1980s when many of those members were in opposition there was absolutely no planning. They ran up huge operating annual deficits on the balance sheet, and in addition, ran up huge debt in our Crown corporations.

My point is that there was no planning for the future, Mr. Speaker, absolutely no planning. Today, Mr. Speaker, with industry experts and analysts, with SaskEnergy having done a, I would argue, a marvellous job of hedging on the price, we acknowledge that this has been hard on consumers, Mr. Speaker. But they have done an excellent job of hedging on price.

My point is, Mr. Speaker, that this government, our Crowns, and, Mr. Speaker, in collaboration with the independent rate review panel, will plan for the future. We will ensure that we will not create additional deficits, Mr. Speaker. That's my point in reading this quote.

Mr. Speaker, I want to . . . I'm near a close on this, and I want to close with this. While we acknowledge there are high energy prices, we also are looking to alternate forms of energy and that's why, just this very day, Mr. Speaker, our province made an announcement of wind . . . of creating wind generation . . . electricity through wind generation. Our province is honouring its commitment in the budget that it would purchase and/or spend \$500,000 a year to purchase electricity through wind generation from SaskPower.

(15:45)

And also in addition to that, SaskPower made an additional commitment of \$2.66 million that it would supply electricity to its head office through wind generation beginning next year, Mr. Speaker. It would spend \$266,000 a year to create electricity through wind generation, Mr. Speaker.

And just a few weeks ago, again I'm going to quote an expert who knows much more about the industry than I do, and in fact for sure much more than the members opposite do. This is from *The StarPhoenix* of May 24, in which we announce the Cory power plant from which . . . that received much criticism from those members opposite. We announced the cogeneration project up at Saskatoon.

Mr. Speaker:

Atco company co-chair and president Ron Southern said

(that) the Cory project exhibited the excellence (that) he expects in all Atco investments . . .

And here's the quote, Mr. Speaker. He says:

Your government's policies have created the conditions where this excellence can (exceed and can) succeed (Mr. Speaker).

I repeat:

Your government's policies have created the conditions where this excellence can succeed.

Mr. Speaker, a private sector individual who recognizes what our province is doing in terms of excellence.

Mr. Speaker, the bottom line clearly, as our Minister of Finance has said so eloquently and so accurately in the last several days, the bottom line is that those members opposite clearly have one objective. That objective, Mr. Speaker, is to situate and position our Crowns so that they can sell our Crowns, Mr. Speaker. That's their only objective. So that they can't provide service in rural Saskatchewan at the same rates that people here in the cities of Regina and Saskatoon get.

And in fact, Mr. Speaker, when I listen to their arguments it really makes no sense to me. They represent rural ridings, rural ridings in which . . . By the way I say parenthetically, they stand up day after day with petitions for cellular service. They want cellular service, in fact — and I draw the parallel with SaskEnergy as well — but they want cellular service in rural Saskatchewan.

Mr. Speaker, I can guarantee the public of Saskatchewan and I can guarantee the members opposite that if this were left to private sector, there would not be cellular service in rural Saskatchewan. In fact I would say why don't the members opposite lobby the private sector for service, cellular service, in rural Saskatchewan? The rules exist; the rules exist — they wanted deregulation. The rules exist; they clearly could provide cellular service in rural Saskatchewan.

You know why they don't have cellular service in rural Saskatchewan from the private sector? It's because, Mr. Speaker, there's no profit there. There's absolutely no profit. And I'm not critical of the private sector for not providing cellular service in rural Saskatchewan. It only makes sense that they wouldn't do it because they can't make money.

And that's why our Crowns were created, Mr. Speaker. And that's why companies like SaskTel and SaskEnergy need to remain in existence so they can continue to provide services in rural Saskatchewan.

But make no mistake, Mr. Speaker, that the Saskatchewan Party has one objective, and that is to sell our Crown corporations.

And in addition to that, Mr. Speaker, I want to point out in closing what our Crown corporations do here in Saskatchewan, besides maintaining their head offices here in Saskatchewan.

They employ over 9,000 people here in Saskatchewan, Mr.

Speaker. They purchase over \$1.2 billion — I repeat, billion dollars — of goods and services here in Saskatchewan from Saskatchewan suppliers; over 5,000 Saskatchewan businesses they purchase goods and services from here in Saskatchewan. And they spend over \$400 million every year to improve and expand their services, creating thousands of construction jobs here in Saskatchewan.

So, Mr. Speaker, it gives me a great deal of pleasure to second the amendment as made by the member for Saskatoon Mount Royal, the Minister of Finance. And I now will take my seat with those brief comments. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I sat and listened to as much of the speech as I could, by the member from Meadow Lake, and I was really quite interested when we started this debate talking about SaskEnergy and our motion to send the request for increase back to the rate review committee to have another look at it. Because in light of some of the information that we've been given recently, that there is definitely justification to be sending it back.

But, Mr. Deputy Speaker, when I got hearing about cell phone service in Wood River, and I got hearing about electrical power in wherever — they haven't yet stated where they're looking at putting the wind power — when I look the wind power that is done in Alberta, when I look at all the issues that the minister from Meadow Lake got talking about, I really wondered how did that . . . what did that have to do with the SaskEnergy rate increase? Because he never, ever did bring it back to the SaskEnergy rate increase.

And I think, Mr. Deputy Speaker, what that concerns me about more than anything else is that perhaps he didn't have enough that he could defend the fact that they wouldn't put it back to the rate review committee. Perhaps he had more . . . wanted to score more political points by accusing the opposition of some sort of sinister plan that we haven't ever put into place or have even talked about.

He's gone way off on a tangent, trying to talk about some sort of conspiracy theory that had absolutely nothing to do with the rate increase, Mr. Deputy Speaker.

Now I could go on at length, if I need be, on issues that really don't relate to the SaskEnergy rate increase — don't relate at all to the motion and don't relate at all to the amendment that was put forth by the Minister of Finance, Mr. Speaker. And I think it's only fair that if we're going to debate the issue on SaskEnergy and the rate increase — a 32 per cent increase that the rate review panel has come up with — I think it's only fair that we stick to that issue and not go into the argument of whether cellular service should be in Wood River and who could deliver that cellular service better. It just doesn't seem to fit the debate.

Mr. Deputy Speaker, when we look at this whole issue and the framing of this issue around what is the price per gigajoule — because that's what it really boils down to, what is the actual price per gigajoule for natural gas — and we've got a couple of

numbers thrown around.

And, Mr. Deputy Speaker, I've had lots of question in my constituency, not just with this last talk of increase, of the 32 per cent, but the increases prior on how much it's gone up. And the government's defended the fact that we have some of the cheapest SaskEnergy rates in the country. And that may just be so, but we're seeing it going up.

And certainly some of the rate . . . or being able to hold the line on some of the rates was definitely due to some forward purchasing by SaskEnergy, which we'll applaud them on, which is a very, very good idea because it did hold rates down. And we've heard the Minister of Finance talk about that and how we've got the lowest rate in Canada.

But, Mr. Deputy Speaker, we'll see in a month or two months, once — or even in a couple of days — if cabinet approves this 42 . . . or 32 per cent increase, what the rate will be compared to the rest of the cost of natural gas in Canada. I don't think he'll be standing in his place touting the fact that we have the lowest natural gas rate in Canada because we certainly won't.

I think one of the most difficult things to discuss and argue with . . . nor discuss with constituents of mine, is the fact is what is the actual price per gigajoule of natural gas.

Because on one hand we had the Minister of Finance talking in his budget address about what his estimate of natural gas prices would be. And I believe it was around 3.39 in the budget document, and that's how much he predicted the price of natural gas to be. But sitting in the Crown Corp Committee and talking to the chairman of SaskEnergy, Ron Clark, he was predicting \$7 a gigajoule for natural gas.

So that's a huge difference — from 3.39 to \$7, that's over a hundred per cent increase you know. And so that would be the tough part to explain, is where you've got the Minister of Finance quoting one number per gigajoule of what their estimation for natural gas is, and you've got SaskEnergy on the other hand saying this is what we need to keep operating. We need this increase because this is how much it's going to cost us.

And, Mr. Deputy Speaker, the difference is just . . . I mean it's not just like it's 10 cents or 20 cents or 30 cents or it can fluctuate according, you know, quickly on prices, but when you're looking at a hundred per cent increase from what the minister says — of Finance — to what SaskEnergy is talking about.

And just to quote Mr. Ron Clark, he says:

Mr. Chairman, we'd love some of that 3.59 gas that they've got. We don't think it's going to be that low.

And who would know better. Whether it's Ron Clark and Kenneth From, the purchaser of natural gas, or whether it's the Minister of Finance. And I would be betting on Ron Clark. And it goes on to say:

If you've got \$4 gas, I'd love to buy some of it.

Mr. Deputy Speaker, and so you get the chairman and the president of SaskEnergy saying he'd love to buy some of the natural gas that our minister set the budget out on.

Now I would certainly, could stomach it I guess, if the Minister of Finance would stand in his place and say, okay I made a mistake. I made a mistake, our whole plans of the budget, we can't project 3.39, we're going to have to project 7 or 8 or \$9. In question period today he quoted 9 to \$10 is what the natural gas price was per gigajoule in Alberta.

Now that is as out to lunch as his prediction was of 3.59 or 3.39. You know, I guess you really kind of wonder, he can go from being incorrect on 3.39 in his budget to being just as incorrect and predicting \$10 in Alberta today, Mr. Deputy Speaker.

So, you know, it's just a very little bit of checking on the Internet you'll see that the price per gigajoule is not 8 . . . 9 to \$10 today. You can lock in for — what did I hear? About 6 to \$7 per gigajoule is what you can lock in for right now . . . (inaudible interjection) . . . 6.69 per gigajoule.

So the whole issue of what SaskEnergy was asking for, the whole grasp on the issue of what the Minister of Finance, you know, his whole grasp on this issue, you know, fluctuating from 3.39 or .59 in the budget to \$10 which he's talking about Alberta today, he just doesn't have a clue of what the actual price is.

And that's where some of the worry and the concern comes from when we hear from constituents and we certainly do hear from a pile of constituents. Because I don't know how many people . . . I would hazard a guess it would be a very small percentage of people in Saskatchewan today will not be affected by this very price increase. In fact, I can't think of anybody that wouldn't be affected by the increase of 32 per cent to our natural gas rates put forward by the rate review panel.

And, Mr. Deputy Speaker, if that rate review panel quoted those prices, if it's saying yes, SaskEnergy needs a 32 per cent increase based on the numbers that the Minister of Finance just used in question period, then the 32 per cent increase is out of whack, completely out of whack.

So you have to look at the actual numbers of what the price of natural gas is today. And that's why we recommended in our motion — which unfortunately there has been an amendment put on the floor — but our motion talks about the very issue of taking this rate increase and putting it back into the rate review committee, putting it back to the rate review committee and saying have another look at it in light of the reduction in natural gas prices. Just have another look at it.

And, you know, Mr. Deputy Speaker, I'm surprised that the government really hasn't picked up on that idea and said yes, that's not a bad idea. With their passion for trying to delay the decisions that they need to make — whether it's on the Fyke committee, whether it's on whatever issue it is — they like to delay, delay, delay, and so they don't have to deal with it.

And I thought this would be a perfect example, is send it back to the rate review panel and they could go through another set of hearings and then they wouldn't have to delay their decision

on it. Because really, you know, if the rate of natural gas has decreased as much as what *The Globe and Mail* has said it has, what a number of the gas producers have said it has, then it only makes perfect sense that they would go through the process again and protect themselves against that 32 per cent increase.

Now perhaps, Mr. Deputy Speaker, the government doesn't plan on raising it 32 per cent. I don't know. But if we don't raise the issue and keep pushing the issue, I'm sure they would let it . . . rubber-stamp it through cabinet and the people of Saskatchewan would be the people that bear the brunt of it.

So I think it's only incumbent upon us as opposition to talk about the effect that this rate increase is going to have on citizens of the province. You know, and as I said, started to say, that I can't think of a person in the province that it won't affect.

And I'll start talking about rural Saskatchewan — it doesn't matter rural, urban — but I'm going to start dealing with the issue in rural Saskatchewan and the area where I was born and raised and farm in. A number of years ago when the program came out for natural gas lines and everybody in our — the RUD (rural underground distribution) program came out, rural underlying gas program — everybody in our area I believe, or most people in our area went through the process of buying a new furnace because they were going to have natural gas.

(16:00)

And it was an excellent program, a very good program, and it sure helped a lot of the residents. I know in our area, where you didn't have to watch down the road as your furnace was almost running out of fuel to see if the Esso truck or the Co-op truck was going to be there in time to deliver fuel to — not Co-op — to deliver fuel in time to get the furnace going.

But the underground program was a good idea, a great idea. But what has happened now is so many farm sites have not only gone from that, but they've piggybacked off of that and they've changed all their heating in their whole farm site to natural gas. Their shops are heated with natural gas. I know a lot of people whose whole dryer system is run off of natural gas. And depending on the year, you can run through a lot of natural gas depending on how wet the harvest is.

And so people in rural Saskatchewan are looking at this 32 per cent increase to natural gas. The only way that they heat all their shop, all their buildings, whether it's their home shop or do any of their grain drying, and say that is going to be just a huge, huge hit, Mr. Deputy Speaker.

And when I looked at the rates, you know, again, I'm just going to briefly go back to this: the discrepancy and the prices of what is predicted by the Minister of Finance and what is predicted by SaskEnergy.

You know as a farmer if I'm getting \$3.39 per bushel, which is what the Minister of Finance was predicting, but I went to my banker and I said no, no, I think I'm going to get \$7 a bushel and try and run a budget on that, it would never fly. There wouldn't be a banker in the world that would look at that and say that makes sense. Because when you're actually getting 3.39 and you're predicting 7 . . . and it's the exact same logic

and math that our Minister of Finance has run off with, Mr. Deputy Speaker.

So it really, really draws some questions, and again who gets affected is just about every person in Saskatchewan, whether it's on the farm, whether it's in the city.

We've talked . . . and the member from Saltcoats talked a little bit about seniors, some of the different seniors in our province who are on fixed incomes. I had the opportunity, and I've mentioned it different times before, in January and February of attending a number of town hall meetings, coffee parties, in every community in my constituency, and I was amazed of course a lot of the rural communities are made up largely of seniors that are on fixed income.

And at that time, there was certainly talk of the energy increase, the natural gas increase. And that was a topic that was mentioned to me many, many times from community to community. And the issue being that, you know, it's easy for — and I realize that most of it's been driven off of world prices — but it's easy for the government to say yes, okay, we'll rubber-stamp this increase, we'll rubber-stamp that increase — like this next 32 per cent increase, you know.

And who gets affected? It's seniors who are on fixed income. They look at all their expenses going up. They're looking at their property taxes going up.

I think of the community of Indian Head right now who is dealing with some property tax increases through some improvements that they're doing in town. Now the natural gas increase . . . and they're on a fixed income, and they just can't cope; they're looking at selling homes and many different things. But even by selling your home, you get away from maybe the property tax; but moving into an apartment or any sort of accommodation, you're still going to be faced with increases to compensate.

So all we're simply saying, on this side of the House, is have another look at it. Does it need to be increased? It's as simple as that. Put it back to the rate review panel and say, in light of the new reductions in natural gas worldwide, does it make sense to be at 32 per cent still? And I don't think that's asking too much.

I think of all the different communities, and right now they may not be voicing their concern with this because as we speak a lot of the rural communities are busy with whether it's spraying or finishing up seeding, but those rural communities the guys that are out there spraying and finishing up seeding are usually the guys that are in working at the rink in the wintertime. And the rinks are going to see just an absolutely huge increase in their expenses.

I can think of the one community in my constituency, Milestone, who have just gone through the process of putting in a natural gas Zamboni instead of having the propane . . . in fact when I played hockey it was a diesel tractor going around the rink, and at 40 below the diesel smell just didn't leave all that quick; it was better known as the diesel dome than anything else.

But they've made improvement, they've made improvements

and they've gone to natural gas, which is a huge improvement. But that's just another area that they're going to be looking at increases then. They're going to be looking at a huge increase not only to run the Zamboni, but many, many community rinks have put in natural gas heaters because the product is there, it's into the town, it's into the community, and they're going to be looking at huge, huge increases this winter.

They don't notice it perhaps as much now, but I will guarantee you come November, October/November, when they're putting in the ice and when they're starting their buildings going again and they're looking at their expenses and projecting budgets and they're looking at how much it's going to cost for rink fees, you're going to see all of those shoot up when you see the natural gas rate increased by 32 per cent, Mr. Deputy Speaker.

And again, the whole point being: does it have to be? I think we would be really amiss as an opposition if we didn't introduce this emergency debate and question the government on does it have to be and what can you do about it to prevent it?

And, Mr. Deputy Speaker, it's really unfortunate that the government has chose to put an amendment into this, to our motion, which really takes the teeth away from it. If you look at the amendment that was put forward, it takes all of the teeth away. It doesn't talk about referring it back to the rate review committee. It only talks about yes; maybe we'll consider it. I mean it's just kind of an airy-fairy thing out there that has absolutely no teeth or no substance.

So, Mr. Deputy Speaker, some of the other businesses that . . . you know, we talked about rinks, we've talked about seniors, we've talked just about every resident in Saskatchewan. I think of businesses and I think one way that we're going to make this province a better place to live is to grow it; is to increase the amount of business, increase the amount of population.

But, Mr. Deputy Speaker, I really question when businesses come in and, depending on what type of business they're in, they're looking at huge rate increases. And the Minister of Finance will stand in his place and he'll say that, you know, we've got the lowest in Canada. And yes, maybe we do right now, but wait until after cabinet decision and see if he still stands in his place and says the same thing. Because businesses will look at something like that.

You know, there's a reason why our economy hasn't flourished as much as it should have, Mr. Deputy Speaker. And one of the issues — and we've talked about it many, many times in this House — is taxes.

But another issue is can this government hold down the costs? And we really question it. Do they look at all the options to hold down the cost?

Finally, Mr. Deputy Speaker, when you look at local governments, how it's going to affect them, whether it's municipalities or whatever, it's going to affect all . . . you know, even though we may not purchase natural gas directly, it's going to affect us in many, many different areas; whether a municipality runs its equipment off of natural gas, whether it heats its shop off of natural gas. You're going to look at all their expenses going up and by an awful lot. So, Mr. Deputy

Speaker, it is going to affect everybody.

I've got one issue that came in just about two or three days ago regarding this, this whole issue of increase in natural gas. And it's from a person that lives in Yellow Grass who is talking about their energy rates are at \$214 a month in equalization and they're looking at a 32 per cent increase. If that's the case, then they've projected it out that they would be up to . . . through equalization according to SaskPower, that they'd have to pay more, about \$400 for the month of July and then it would drop back down to 300. So from a bill of 214 up to a bill of \$300 just in this one situation. And I mean, there's many, many situations out there.

But I would hazard a guess it's an area that they're saying can I afford another \$90 a month for natural gas. Just for natural gas. That's not talking about any of the increases that they're facing with fuel prices or anything else.

So, Mr. Deputy Speaker, the rate increase is going to affect everyone. The rate increase will be noticed by everyone and some, unfortunately, maybe not until the winter months where they are more dependent on natural gas.

But more importantly, Mr. Deputy Speaker, I think people in this province need to know what is the true cost per gigajoule. And I started out by saying that you're getting two conflicting reports from the government on what SaskEnergy says and what the Minister of Finance says, and now you get a third option of what all the oil . . . or the natural gas companies are saying and that the fact that it's dropping.

And so I really question the fact that we need a 32 per cent increase. I would have no problem with supporting the whole notion that this rate increase goes back to the rate review committee to be re-examined, to be re-looked at in light of the new information, and perhaps save the province a whole lot of money.

You know the member opposite says speculation. Maybe it is speculation. Maybe it is. It could be speculation. So what is the alternative? Let's say, let's charge 32 percent, and if that speculation was correct, too bad.

You know, that's what their . . . that's the whole attitude, the whole arrogant attitude of the government opposite. Yeah, it might be speculation, but the price may drop down. And if it does drop down, where are you going to be? You're going to say well, we already raised it 32 per cent, and the chances of them dropping it down are very, very slim.

So that is exactly the point of why this needs to go to the rate review committee, because although it may be speculation, it may be true, and when you look at all the reports from all the different . . . SaskEnergy . . . or the natural gas producers, they're agreeing with it and it makes perfect sense.

So, Mr. Deputy Speaker, I think it needs to go back to the rate review committee, and I will be supporting the motion and not supporting the amendment. Thank you.

Mr. Yates: — Mr. Speaker, I'm pleased to enter into this debate. Mr. Speaker, we hear the members opposite day after

day after day want to lock the government into doing things that aren't good for the people of Saskatchewan, Mr. Speaker.

They talk about all the things that they would like to do, but they don't ever talk about how they're going to pay for anything, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, they go through rant after rant, day after day, talking about they want to cut taxes, they want to spend more here, they want to spend more there. But what did their platform say in the last election, Mr. Deputy Speaker? Well it talked about a freeze in health care for five years, it talked about a freeze in education for five years, it talked nothing, nothing about poverty or dealing with the poor, Mr. Deputy Speaker. Nothing at all.

Then they get up day after day in the Assembly and talk about how they're going to do everything for everybody. They're going to fix every problem in the world, they're going to spend more money here, more money there, Mr. Deputy Speaker. Did they talk about that during the election? No. Do they have any intention of doing that, Mr. Deputy Speaker? No.

Now, Mr. Deputy Speaker, I want to now turn to . . . a little more precisely . . . about the issue of natural gas rates.

Now we've got the members opposite talking about the fact that natural gas rates are going down. Yes, Mr. Deputy Speaker, natural gas rates are going down at the moment. But what they don't want to talk about is the volatility in the market. They don't want to talk about the \$63 million that the variance account is down at this very moment. Or more, Mr. Deputy Speaker.

Now there is no doubt that today if you go to the Internet you're going to see the natural gas prices are going down. But they don't want to talk about, Mr. Deputy Speaker, that in Saskatchewan for the last 10 months people have paid 4.52 a gigajoule or less for natural gas, which is considerably less than the market has been and, Mr. Speaker, that the company, SaskEnergy, has basically been running the utility at a loss, building a deficit in the variance account, Mr. Deputy Speaker.

And all of a sudden, now that rates are starting to climb, they're saying oh, let's just forget about that variance account, that \$63 million-plus, that in fact that utility has paid out, subsidizing us in our natural gas.

Now, Mr. Deputy Speaker, they talk about other provinces talking about lowering their natural gas rates. And I want to quote, Mr. Deputy Speaker, from a Ms. Holder — Janet Holder, vice-president of market development for the Ontario gas distributor:

If these prices stay and stabilize here, we will see a reduction in prices next winter. Ms. Holder said current consumer rates of \$9 per cubic feet could be cut significantly.

Yes, Mr. Deputy Speaker, they could be cut significantly. They're now double what we are charging consumers in the province of Saskatchewan. So they've been gouging them for a long time, Mr. Deputy Speaker. So I would expect that they

could cut them as natural gas rates go down.

We've been charging 4.52 a gigajoule; they've been charging over \$9, Mr. Deputy Speaker. I guess they can afford to cut their rates a little bit. They've gouged those consumers now for months, Mr. Deputy Speaker, put hundreds of millions of dollars in their private corporation pockets, Mr. Deputy Speaker. Now I believe they could cut them.

Well, Mr. Deputy Speaker, they don't want to talk about the things they don't find pleasant to talk about. They want to talk about how this government should do more and more and more.

And no doubt, Mr. Deputy Speaker, we need to very closely analyze what we can do with natural gas rates. And time and time again the Minister of Finance has stood up and said that. The Premier has said it. The minister responsible for CIC has said it. This is not a decision that will be taken lightly, Mr. Deputy Speaker. It will be analyzed very carefully.

Mr. Deputy Speaker, I want to talk a little bit about what Peter Linder, an analyst at Research Capital Corp in Calgary says. And I should quote, Mr. Speaker . . . and a noted bull on natural gas prices — somebody that's been around a long time. He said that the unreasonably mild weather across the United States could end abruptly, creating an upswing in natural gas prices instantly. We're very much at the mercy of mother nature, he said.

(16:15)

So, Mr. Deputy Speaker, today the price might be 6.69 that you can buy it for, but tomorrow it could be back up over 7 or \$8, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker . . . (inaudible interjection) . . . No, it's not about snow. The members opposite yell about snow, Mr. Deputy Speaker, but we need to point out to them that a large portion of electricity is generated by natural gas generated turbines, Mr. Speaker. And in the United States, if it gets unreasonably hot, gets unreasonably hot, Mr. Deputy Speaker, then air conditioners get turned on and get turned higher creating a demand for power. And then natural gas gets consumed, Mr. Deputy Speaker.

Now that's simple, but you have to tell the members opposite that because they difficulty with those basic facts, Mr. Speaker. Well, I'm trying to . . . (inaudible interjection) . . . He's saying give them an education, Mr. Deputy Speaker. I'm trying. They've definitely, definitely need some education on this issue.

But, Mr. Deputy Speaker, I don't know that . . . I don't know if I have enough time to educate them all. I don't know, Mr. Deputy Speaker, they want to be taught, they want to be taught but I don't know if I can go that slow.

Well, Mr. Deputy Speaker, some of the things some of the people need to understand is SaskEnergy needs to secure its natural gas source prior to the beginning of the season, Mr. Speaker, to lock it in for the year. The price negotiated by SaskEnergy now for gas delivery next year is based upon the current market conditions. So, Mr. Deputy Speaker, SaskEnergy

has to look for that opportune time to lock in the natural gas prices for the next year.

Then they have to look at the price of natural gas for the next year, look at the amount of money that the utility has lost in the variance fund, and then, Mr. Speaker, they need to make enough money back to pay for what the utility costs. This is a flow-through utility, Mr. Deputy Speaker, where the consumer pays what the utility pays; no more.

Mr. Deputy Speaker, we need to look at ways to mitigate the cost, but we also need to make sure that utility is viable 2 years from now, 3 years from now, and 5, 10, 15, and 20 years from now, Mr. Deputy Speaker. We don't want to go down the route of Alberta or Ontario where they were paying two or three times as much in some cases for energy rates at times over the last two years, Mr. Deputy Speaker.

I just want to reiterate some of the rates that some consumers have paid in other jurisdictions, Mr. Deputy Speaker. In Vancouver, when we were paying \$4.52 a gigajoule, they were paying \$8.82, Mr. Deputy Speaker. Edmonton was paying \$8.77, Mr. Deputy Speaker. Calgary, in the land of opportunity, as they claim, was paying \$9.81 — more than double. More than 100 per cent more than consumers in the province of Saskatchewan are paying, Mr. Deputy Speaker — more than 100 per cent more than the taxpayers of Saskatchewan were paying, Mr. Deputy Speaker. That's an incredible difference.

So for months and months and months we paid 4.52 a gigajoule, Mr. Deputy Speaker, and they paid more than \$9.80 a gigajoule — more than a 100 per cent more than us, Mr. Deputy Speaker. But do they want to talk about that? No, they don't.

Winnipeg was paying \$8.42 a gigajoule, Mr. Deputy Speaker — \$8.42 a gigajoule. And Toronto was paying \$9.54 a gigajoule.

Mr. Deputy Speaker, I'm not going to write off the fact in Alberta that the Alberta government gave energy rebates, significant energy rebates. But it should be noted that the province of Alberta had a bigger surplus than the Government of Canada had so they could give rebates. But the rest of the country couldn't. In Toronto they paid \$9.54 a gigajoule and had no rebates. Winnipeg paid 8.42 a gigajoule.

Mr. Deputy Speaker, in Saskatchewan here we chose to take a path in which we kept the utility rate low. We kept it low so that every consumer paid based on their usage. And we've heard the Minister of Finance, we've heard the Premier, and we've heard the Minister of the Crown Investments Corporation say that we're going to continue to try and keep those rates the lowest in Canada, if possible, and the most at the lowest possible rate we can.

They've heard a commitment from this government time and time again that we're going to work those rates the lowest in the country. And we have a record, a record, over the last decade showing that they have been either the lowest or the second lowest in the country, our utility rates. Mr. Deputy Speaker, that's a record that this government's very proud of.

Now I haven't been here for the last decade setting those rates,

as some of the members have. Mr. Deputy Speaker, they've worked very hard to keep our utility rates competitive. They've worked very hard to make our Crowns the number one — the number one — provider for those utilities in the country.

And, Mr. Deputy Speaker, people on this side are very, very proud of the record of these Crown corporations. They've worked very hard for the people of Saskatchewan and have delivered — delivered, Mr. Deputy Speaker — for the people of this province both fair and cheap utility rates based on comparisons across the country.

Now, Mr. Deputy Speaker, we have some volatility in the market. When you're buying natural gas in the open market, there's going to be volatility based on many factors. It could be an increase in demand due to electrical activity . . . or increased need for supply for electrical generation over the summer, for air conditioning in the southern United States. It could be an unreasonably cold winter, Mr. Deputy Speaker. There are many factors that are outside the control of any supplier of natural gas that affect the price. Because as demand goes up, so does the price, Mr. Deputy Speaker.

Well, Mr. Deputy Speaker, industry analysts expect that natural gas prices will moderate and fall back between the three and five dollar range per gigajoule within the next one to two years. So we expect that there will be over the long and . . . medium and long term, a reduction in the cost of natural gas as the utility will be able to buy it, Mr. Deputy Speaker.

But this is still higher than historical levels of between a dollar fifty to \$3 a gigajoule that have been the marketplace for the last number of years, Mr. Deputy Speaker.

And those rates indicate very clearly if you're going to pay more because those prices, as they are in Alberta, Ontario, Manitoba, British Columbia, are passed down to the consumer, Mr. Deputy Speaker.

In the 2001-2002 provincial budget, the price of natural gas is projected to average 5.86 and 3.39 per gigajoule in 2001 and 2002 respectively. The Alberta budget, in the land of opportunity as the members opposite would like to indicate, their projections were very similar, Mr. Deputy Speaker, with an average of \$6.03 a gigajoule and 3.77 in 2001 and 2002 respectively, Mr. Deputy Speaker.

So the numbers projected by the Minister of Finance in Saskatchewan and the minister of finance in Alberta are very, very similar, Mr. Deputy Speaker. They're not numbers picked out of the air, Mr. Deputy Speaker. They are numbers that are looked at very seriously by analysts within the industry and those projections are made with the very best information available to the departments of Finance as they put together budgets, Mr. Deputy Speaker.

Mr. Deputy Speaker, the members opposite keep wanting to talk about how we need to examine and look at this particular rate increase, Mr. Deputy Speaker. Well we don't disagree. We don't disagree. The Minister of Finance has said that all along. The Minister of CIC has said that all along. The Premier is quoted as saying that all along, that we will very closely look at the needs for an increase and examine all the factors before

approving it.

Now I want to get on to, for a couple of minutes, Mr. Deputy Speaker, and talk about the independent rate review panel. The members opposite talked for a long time about wanting the independent rate review panel. So what does the government do? The government implements an independent rate review panel, Mr. Deputy Speaker.

So we have an independent rate review panel, utility rates go up, natural gas goes up in the world market, we have to buy natural gas from the market, the price goes up, utility asks for a review of its rates to the independent rate review panel. And what do the members opposite say? The process is flawed; it's no good.

The member from Swift Current stood up and spoke about the need for an independent rate review panel and then said scrap the independent rate review panel and have the cabinet make the decision. All in the same, all in the same session of the legislature, Mr. Deputy Speaker.

Now how can that make any sense, Mr. Deputy Speaker? How can the people of this province . . . On one hand they ask for it when they think it's to their advantage, and as soon as they don't think it's to their advantage, they want to scrap it.

So how can we believe, Mr. Deputy Speaker, that they have the best interests of the public at heart? I don't believe we can, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, we have a rate review panel recommendation. They have analyzed very carefully the information provided. And the members opposite would have us believe that they wouldn't take into consideration the fact that natural gas is dropping.

These are people who are paid to look at each rate review very carefully. And when they're looking at an issue like natural gas prices, Mr. Deputy Speaker, they bring in an industry analyst to help them. It's not that they just go and pick numbers out of the air; they bring the industry analyst in. They're part of providing information to the panel, Mr. Deputy Speaker.

So an independent panel that's there to decide what's an appropriate rate increase studies the issue and brings back a recommendation; and they're saying send it back to the panel, because they don't like the result.

Well, Mr. Deputy Speaker, maybe, maybe the results they've brought back aren't what's going to be implemented. But none of us know that at this point, Mr. Deputy Speaker. We need to take the information away and the Minister of Finance and his cabinet colleagues are going to look at all the information very carefully. And when they do that, then they'll come back and announce what the decision is going to be.

But they're not going to throw out the hard work of the independent panel. And they're not going to send it back to have the panel reanalyze what they've already analyzed. They've done that. And they had analysts advising them.

Now if it's gone up . . . if it's gone up or down in a day or two,

Mr. Deputy Speaker, the analysts in the industry provide information to that panel. Now I'm not going to question what the analysts in the industry say, Mr. Deputy Speaker. I'm going to take the information they give them and look at it.

And that's what then the deputy minister . . . or pardon me, the Minister of Finance is going to do and the Minister of Crown Investments Corporation is going to do, the Premier, and the other members of the cabinet. They're not going to send it back. Because you can send it back and have it reanalyzed and the day it comes back again, because of the volatility in the market, we could have a different rate again.

And then they're going to say well, send it back again, send it back again, because every day gas fluctuates. It fluctuates on the world market like many other stocks do, Mr. Deputy Speaker. It's called the commodity markets. It's a commodity. It's a consumer product that people use and buy. It changes and fluctuates on the market.

Now, that's the capitalist system that our world operates in, Mr. Deputy Speaker, that where there's a market, you buy at the price available. And as demand increases, the price goes up; and demand decreases, generally the price goes down.

And, Mr. Deputy Speaker, we could send it back to the rate review panel tomorrow and it could come back another month down the road and the rate would have changed again and they would say send it back again.

Mr. Deputy Speaker, the rate review panel has done its work. Now it's passed on its recommendation and now it's time to make a decision. Now the members opposite, the members opposite always say make a decision, don't send it out for more consultation. How many times have I heard that? We've heard that on the Fyke report. We've heard it on many other things. No more consultant, hurry up, make a decision.

Now they're saying just the opposite. After we send it out and had an independent rate review committee that they wanted make a recommendation, Mr. Deputy Speaker, now they're saying send it back, take more time, don't make a decision.

Mr. Deputy Speaker, they have to be consistent. They have to be consistent in their approach to decision making. It's now the point where a decision needs to be made, Mr. Deputy Speaker. And that's what the cabinet will do. They will go away and they will review all the information.

And, Mr. Deputy Speaker, if something's changed since the time the rate review panel made its decision, I am sure — I am sure beyond doubt — that the Minister of Finance is going to take that into consideration and the Minister of CIC's going to take that into consideration and the Premier is going to take that into consideration, Mr. Deputy Speaker. Because reasonable people would take that into consideration, Mr. Deputy Speaker, and they're reasonable people.

(16:30)

The people have . . . the people on this side have the interests of the people of Saskatchewan at heart, Mr. Deputy Speaker. And they will take any new, any new information into consideration,

Mr. Deputy Speaker, as they consider, as they consider any rate review, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, the members opposite, the members opposite, they want to send it back to the rate review committee. Well why do they want to do that? That's the fundamental question. Why do they want to do that, Mr. Deputy Speaker? I'll tell you why. Because what they want to do is they want to flip-flop on every decision.

They flip-flop all the time, Mr. Deputy Speaker. One day, one day they're telling us hurry up, make a decision. Right? They're saying that on health care. They're saying that on taxation. They're saying that on everything else. But when it comes to something after it's gone to an independent rate review committee, Mr. Deputy Speaker, then they say, then they say, send it back.

Now, Mr. Deputy Speaker, the members opposite will have you believe or try to have you believe . . .

The Deputy Speaker: — Order. Order. I am having difficulty hearing the speaker and the member for Regina Dewdney does have the floor.

Mr. Yates: — Mr. Deputy Speaker, the members opposite asked me a few minutes ago to teach them a few things and I think it was the member from Canora-Pelly. He said, look, we need to learn. So I'm trying to help him, Mr. Deputy Speaker.

And I need to point out that the member from Canora-Pelly is a long, a long-time educator himself, Mr. Deputy Speaker, so he understands the value of good education. And the member from Canora-Pelly, being a long-time teacher understanding the value of education, asked to be educated, Mr. Deputy Speaker, and we're trying hard.

Mr. Deputy Speaker, he says he's going to reread *Hansard* twice. That's his dedication to learning. That's a compliment that he's going to read it twice, Mr. Deputy Speaker. You know, I am so pleased. I am so pleased that the member from Canora-Pelly is going to read it twice. He's going to read my speech twice because he wants to clearly hear a message.

Now, Mr. Deputy Speaker, the members opposite claim to have the high ground or the moral ground on doing what's best for the people of Saskatchewan. Well, Mr. Deputy Speaker, when have they ever shown that?

Mr. Deputy Speaker, when have I ever seen in their platform concern about the poor and the downtrodden in our society? I see nothing.

What did I see in their platform regarding additional money for education? They wanted a five-year freeze, Mr. Deputy Speaker.

Health care. Did I see them concerned about the sick and those needing help in our society, Mr. Deputy Speaker? No. They wanted a five-year freeze, Mr. Deputy Speaker.

This coming from the people that believe in workfare. Workfare, you know, concerns about the disabled, Mr. Deputy

Speaker — I see none of that in their speech, Mr. Deputy Speaker.

Now, Mr. Speaker, it's amazing. Instantly they have concern for everything and for everybody. And they'll spend any amount of money, Mr. Deputy Speaker, and they'll cut taxes more. But how? Just how are they going to do that, Mr. Deputy Speaker? Well I'll tell you what they talk about doing, they talk about selling off the very utility, the very utility that has delivered the lowest natural gas prices in the country to the consumers of Saskatchewan, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, so they'd sell off SaskEnergy. And then we'd be paying the rates that they pay in their dreamland of Alberta — 9.81 a gigajoule instead of 4.52, Mr. Deputy Speaker. Sounds like good economics to me. Not good economics, Mr. Deputy Speaker, that sounds like voodoo economics, as my friend, the member from Regina South, refers to.

Now, Mr. Deputy Speaker, the members opposite are having a good time listening to this and actually they're quite quiet right now. And the member from Canora-Pelly is learning something. And I'm extremely, extremely pleased. Now I wish he was taking notes. Now as the member from Canora-Pelly would understand being an educator, that he should take detailed notes. And I was hoping, I was hoping he'd be taking notes as he has without doubt taught his students over the years . . .

The Deputy Speaker: — Order, order. Would the member please tie his comments into the debate that is before the House today, either in the amendment or in the main motion?

Mr. Yates: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I'll get back to the issue at hand which is the increase of . . . asked by SaskEnergy, or pardon me, by the independent rate review panel that's now before the cabinet.

Now, Mr. Deputy Speaker, the members opposite talk about the moral high ground on the issue of defending the public and the poor and the downtrodden in natural gas rates, when their whole position and platform takes the exact opposite position, Mr. Deputy Speaker — cut taxes and cut taxes for the wealthy, leaving no money left, Mr. Deputy Speaker, no money left to worry about things like utility rates. Now, Mr. Deputy Speaker, they think that they have the moral high ground on this issue, yet their platform is exact opposite, Mr. Deputy Speaker.

Now the members on this side are very concerned, very, very concerned about natural gas rates, Mr. Deputy Speaker. And I am very, very, very confident that the cabinet and the caucus on this side of the Assembly will look into, very carefully, to minimize the impact on Saskatchewan people. They're reasonable people here and they're very concerned about those who are scraping by and having difficulty paying their bills, Mr. Deputy Speaker.

And we're going to do that, Mr. Deputy Speaker. The members on this side will review very carefully all the information and they will make a decision with the very best information available to them.

Mr. Deputy Speaker, I want to bring up another dimension that the members opposite continue to bring up in regards to municipal funding. I think that we need to point out to the members opposite that municipalities get refunds based on natural gas usage in their communities, Mr. Deputy Speaker.

Now refunds may not be the correct word but it's a surcharge that's actually given to the municipalities by SaskEnergy in lieu of taxes. Now that surcharge, now that surcharge goes to the municipalities, and it's part of the . . . (inaudible) . . . process to natural gas. There's no doubt about it, the member opposite says that the consumer pays a surcharge. Yes the consumer pays for natural gas, with a surcharge paid by SaskEnergy to the municipalities; it is paid by the consumer.

But, Mr. Deputy Speaker, that means a significant amount of money to municipalities in this province as well. So the members opposite are one day talking about municipalities need more money and the next day they're saying don't give them more money. So again, they have to be consistent in their argument.

And, Mr. Deputy Speaker, on this side of the Assembly we are going to do everything in our power to minimize the increase that the people of Saskatchewan are facing as a result of higher natural gas prices, Mr. Speaker.

But, Mr. Speaker, we're not in favour in sending back to rate review committee to again delay what is necessary. Because, Mr. Deputy Speaker, if you send it back to rate review panel, then the variance account just gets larger and the amount of money that Saskatchewan consumers have to pay back gets larger, creating — creating — Mr. Speaker, an even greater increase requirement.

Mr. Deputy Speaker . . . or, Mr. Speaker — pardon me — we need to very closely look today at how we can minimize natural gas increases. You don't need to put it off for another three months, another four months, go back out and talk to the people. Every single member on this side knows that consumers are concerned about natural gas prices. And I believe every single member in the opposition knows that every consumer is concerned about natural gas prices. We're concerned about what it does to small business. We're concerned about what it does to the restaurant industry. We're concerned about what it does to major businesses like IPSCO.

But, Mr. Speaker, there has been an independent review done. And the independent review has come back with a recommendation; the panel's come back with a recommendation; now it's time for the government to review that recommendation.

Now, Mr. Speaker, the members opposite want to talk about natural gas rates. Well I want to talk about natural gas rates and what the average family has paid in this country over the last year.

Mr. Deputy Speaker, in Toronto the average consumer would have paid \$1,565 for natural gas last year. In Vancouver, \$1,560, Mr. Speaker. In Calgary, \$1,510. In Hamilton, Ontario, it'd be \$1,395. In Edmonton, Alberta, it'd be \$1,370. In Winnipeg, Manitoba, it was \$1,265. And in Saskatchewan, Mr.

Deputy Speaker — the lowest in the country — \$1,020, Mr. Deputy Speaker.

Now, Mr. Speaker, the members opposite, they keep talking about a pizza rebate. Mr. Deputy Speaker, we in Saskatchewan kept our energy rates low, contrary to the province of Alberta. Yes, in the province of Alberta they've got large natural gas rebates, there's no doubt about that. Mr. Deputy Speaker, they also pay more than 100 per cent more than what the consumers in the province of Saskatchewan paid for natural gas last year, Mr. Deputy Speaker.

Now, Mr. Speaker, I want to talk a little bit now about what happened in the 1980s because it's relevant to natural gas rates, Mr. Speaker. There's . . . relevance is connected in this way. There was a time in this province when the government owned natural gas fields and consumers could count on the government to its Crown utilities subsidizing significantly natural gas rates.

And then something happened, Mr. Speaker. In the 1980s we had a government that decided that they would sell off things, Mr. Speaker, to get money. For short-term gain they sold off the province's future, Mr. Speaker. So they sold things off, Mr. Speaker, in order to, in a short term, subsidize many, many things including, I might add, improvements to homes, home improvement guarantees, low-interest loans so people could improve their homes, Mr. Speaker.

So we sold off natural gas fields for just a mere pittance of their worth. And when we sold off the mere pittance . . . sold off our natural gas fields for a mere pittance of what they were worth, then of course, Mr. Deputy Speaker, then we're faced with a significant problem. We're faced with a problem of today not owning any natural gas fields, Mr. Speaker. So today we're totally, totally at the mercy of the world market, Mr. Speaker.

So as natural gas goes up, Mr. Speaker, the consumer is going to have to pay more. We don't have any of our own gas any more to subsidize the cost, Mr. Speaker. It's a shame.

And we saw the same type of thing going on with the potash corporation. We sold off the potash corporation for a mere pittance of what it was worth.

Now, Mr. Speaker, those types of sales in the 1980s put us in this situation today. And the members opposite wonder why, when the world market price goes up for natural gas, why we have to go to a utility increase, Mr. Deputy Speaker.

Well, Mr. Deputy Speaker . . . or Mr. Speaker, pardon me, we have more than one industry analyst say yes, natural gas rates are dropping today but they could go up just as significantly as they dropped in a mere day, with a change in weather, Mr. Deputy Speaker.

We have analysts telling us that the price today may be 6.69, but it was \$9 just a few short days ago. Some provinces of this country, Mr. Deputy Speaker . . . Ontario was paying \$9 a gigajoule — \$9. And what were we paying here — 4.52. And then they say they should be able to lower the prices a little bit, Mr. Speaker.

Well of course they should be able to lower the prices a little

bit. They're paying twice in the province of Ontario to what we are — twice.

Now, Mr. Speaker, now they're saying we can lock in whatever until 2003. Yes, we possibly could lock into 2003 at a lower rate. But, Mr. Speaker, then tomorrow if the rate was lowered, they'd say that damn government made a mistake.

The Speaker: — I would ask the member to withdraw that statement and apologize to the House.

Mr. Yates: — Okay, I withdraw that statement and apologize to the House.

Mr. Speaker, they would say tomorrow if the rate went down that we did something incorrect, that we were silly, we acted too quickly, we didn't act properly or better yet, they would say we didn't do our due diligence. So on one hand they're saying lock it in for five years, and tomorrow we done that . . . had done that, Mr. Speaker, they'll be telling us we hadn't done due diligence.

(16:45)

Now, Mr. Deputy Speaker, Mr. Speaker, the members opposite, the members opposite, have said that they needed an education on the issue of natural gas rates. Mr. Deputy Speaker, on this side of the House, we are very, very concerned about natural gas rates.

We're concerned how it impacts low-income families. We're concerned how it impacts families that are just barely paying their bills, Mr. Speaker. We are concerned how it affects marginal businesses that are struggling to pay their bills and pay their employees every month. We're concerned how it impacts large businesses who have to pay dividends to their, to their shareholders, Mr. Speaker.

But what we're not prepared to do is send a decision that's not ready to be made back to a rate review committee to be re-examined. Because, Mr. Speaker, I am quite confident that my colleagues in government can take into consideration any fluctuations that have occurred since that decision was made.

And, Mr. Speaker, the members on this side of the House have faith in their Minister of Finance. They have faith in the cabinet they will take into consideration those types of changes that may have occurred since the recommendation was made.

Well, Mr. Speaker, the members opposite . . . they wanted a debate today about natural gas rates hoping to influence a decision tomorrow or next week or the week after. And they wanted to create an environment in which they were passing information on to the public from their perspective, Mr. Speaker. So, Mr. Speaker, their perspective may not always be all encompassing. They may not always have all the information in front of them. And they may make decisions then or recommendations then based on not having all the information.

I want the decisions made by people with all the information in front of them, Mr. Speaker. Because there's more to looking at the price of natural gas just than the price of the world market

today. There is the cost of repaying the variance account, Mr. Speaker. There are things that need to be taken into consideration that the members opposite are not taking into consideration.

Now, Mr. Speaker, having said that, I am very pleased to stand and say that I am supporting the amendment put forward by the Minister of Finance and not supporting the motion as put forward by the members opposite.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Brkich: — Thank you, Mr. Speaker. I'm glad to enter this debate on this particular motion brought forth by the member from Swift Current. I'd say that basically it affects everybody. It affects my constituents. It affects the constituents of the members opposite.

I was just on the phone even just talking to a constituent now who runs a business. And it just happened that we were talking about another matter and he just happened to mention that. He just said, you know, what about this extra 32 per cent. He runs a welding shop in Davidson; he just says I don't know if I can absorb that much that fast, Mr. Speaker.

And it's just not in the rural, Mr. Speaker. I come up to the city and you stop at a service station this morning up here in the south end, I believe, in the member opposite from Regina South, his constituency. And usually you hear people talk and it's usually about when they're making small talk they're waiting for one of the guys filling up the car, you're waiting to pay the bill, sometimes you make some small talk. You'll listen in and usually they talk about the weather.

You know what they were talking about — energy, the price of gas, the price of natural gas, and how much of a hit it is up here even in the city. So I know it's a concern to the members opposite too, just like it is here. I know that their offices are getting calls.

And we talk . . . the few people I know up here, from living up here the last two, three months while session's been on, you talk to them . . . over on Friday when we left and they're concerned about that. Just like they are everywhere, Mr. Deputy Speaker.

I want to read a couple of letters. And I've been getting quite a few about this since Friday. But I just want to read a couple into *Hansard* just to let the people know opposite of the concern out here. The first letter is from the mayor from the town of Craik. And he says:

I'm writing to you with regard to the increase in the cost of natural gas. The town of Craik has paid \$5,651 for natural gas for the town buildings in the year 2000. To date in 2001, we have paid \$5,320. A rink in town paid \$8,798 for natural gas for the winter months and \$14,030 for electricity. Of this \$14,030, the demand charge was \$2,647.

SUMA and the municipalities have been lobbying the government for a number of years to have this charge dropped from municipal recreation buildings but have not

been successful. A 45 per cent increase in natural gas would cost the town an additional \$6,500 for town buildings and the rink.

Our rink committee spent 12 months of the year fundraising now just to pay the energy bill in the rink. A 45 per cent increase will mean we will have no choice but to close the rink. There'll be no minor hockey, figure skating, or other activities for our young people. The same people that will have to endure a rate hike of this magnitude in their private lives are also the same people that have to endure these rate hikes at the recreational facilities in town. Surely there has to be some relief for small towns.

I urge this government to seriously consider the consequences to rural people of a hike of this nature.

Another one from the mayor of the town of Imperial.

I was watching the news at noon and heard that a 42 per cent increase in natural gas has been requested. This prompted me to write this letter to let these people know what is going on in the real world.

We're a community of 380 people and the proposed 42 per cent would increase the town's heating bill by \$2,528, which is equivalent to approximately one-half a mill. This does not include the rink or community centre. The 42 per cent increase to the rink would add another \$3,150.

Please do whatever you can to have these people come to their senses.

From the mayor from Imperial.

Village of Kenaston. They would like to express their concerns over the proposed 40 to 50 per cent increase in the cost of natural gas to residents and public utilities:

We have just completed our 2001 fiscal budget, and due to elevator closures, reassessment, the increased energy costs have put a severe strain on our limited finances. We would like to go on record stating that this is a very bad time to increase energy costs and we urge the government to seriously consider other options to alleviate some of this financial burden to rural Saskatchewan communities.

Another one. I'll just read one more from the town of Outlook:

I write to you today with deep concerns over ever-increasing costs that are facing communities such as ours. At the present, we are in the final stages of budget considerations, wrestling with shifts due to assessment, feeling overwhelmed with the stark reality of ever-increasing energy costs and the effect that these increases will have on our citizens.

As we struggle with increased costs, it is difficult to feel any joy in the provincial government's talking of balanced budgets. And now with windfall surpluses, municipalities look back over the past number of years and remember downloading from the provincial government, decreased revenue sharing, and a great deal of sacrifice endured by

municipalities.

Our part in helping with the provincial budget, it now seems our reward is a provincial government that boasts of surplus revenues, is further increased costs through runaway energy costs and increased policing costs with no signal from our government of any relief.

While the provincial government delights over its increased wealth, municipal councils labour with budgets hoping to find a way to remain revenue-neutral but knowing full well that a mill rate increase is in the future. There is no delight in squeezing more revenue out of taxpayers who are already facing substantial increases within their own homes where the provincial government's latest tax relief would do little more than offset a portion of the costs that citizens will endure.

The challenge we put to the provincial government is to find some way to relieve some of the financial pressures the municipalities are experiencing. Look at increasing revenue sharing, subsidizing energy costs, taking appropriate percentage of the cost of education from property tax base — something positive that would offset the frustration that is currently building in rural Saskatchewan and all over Saskatchewan.

In a recent speech, Premier Calvert talked on the positives we have in this province, how we have to change our attitudes.

The mayor goes on:

I agree with Premier that this is true. We have to change our attitudes. At the same time, we need a provincial government that can deliver some of these positives to the people of this province, that will help in the development of those positive attitudes we would all like to display.

Mr. Speaker, those are a few of the letters. And many calls over the weekend, that was the main topic. No matter where you went, the people you talked to — whether it was at a sports day in the morning or in the afternoon talking to somebody in the coffee shop or just on the street going into a store for something — everybody would stop me and talk about the high energy costs, you know, that were being proposed out there.

Just basically, they can't afford them out there, whether it's in the rural or in the city, Mr. Speaker.

The motion, I believe, is a good motion. Because of the proposed increases, I think and listen . . . when I listen to the radio there I think, that day there, he had said that the last projections they had used was May 10. Well that's when it was still at \$7, which changed quite a bit, considerably. It's starting to go down.

And I think that's why this cabinet should consider sending it back, to review the options that are out there. And I think that as a cabinet, as a government and this being an important issue, it's something that they should look at, every chance they have and any way they can, to keep the costs from going up. Because I mean, just talking to the members opposite, everybody

knowing how much this is going to affect everybody.

I mean I can go on about the seniors on fixed income, the calls I've had saying that, you know, I don't know if we can afford this. You know they're just saying I don't know what we're going to do, you know. What's the government doing to try and help this?

You know there's many options. You know and it's been . . . another thing that has been brought up, that the opposite members haven't talked about is, when the price of gas does go up, there's also more money coming into the provincial coffers. You can talk about the April sale brings total bonus bid revenue to about \$19 million compared with \$11 million for the first two sales last year.

So there is extra money coming in to the provincial coffers with this high energy . . . with the high natural gas costs. The province is making money on royalties and the members opposite don't mention that. So there is extra money being in there and I believe that it should be passed back, as with the members here, any way it can be to brunt that cost.

Another point I would like to make is the Minister for Rural Revitalization, her mandate . . . I remember her saying that she would be at the cabinet table when there was an issue that affected rural Saskatchewan. She would be trying to talk to the cabinet, trying to get it so that it would help rural Saskatchewan.

Well I hope tomorrow, when she's at the cabinet table, that she's talking, representing her job as the minister of Rural Revitalization, trying to talk this cabinet into turning back the costs of the rates. Or at least sending this back to the rate review panel for them to have a look at it. Because I think we have to examine every option. We're dealing with an issue this important; it affects every person out there.

I mean when you go out there and you talk to the people, this is what they're talking about today. This is what they were talking about on the weekend. That's what they're talking about today. This is what they're going to be talking about tonight.

So I think as a government they owe it to the people to go and examine every option to make sure that if they are passing the costs on, that there is nothing else that . . . they're against the wall; they have to do this.

And I think that they can . . . and I believe that there is, there is a movement, especially in the rate review panel, to re-examine this and come back with a lower rate increase in the price of gas, as we know the other members have talked about when it was projected.

Another mention . . . I remember the Minister of Finance talking about \$4.53. He says that we're paying the lowest. Well we have been, and that's good.

Another question I would like to ask the minister for Crowns areas is what price do they have locked in now? Because I'm starting to wonder. And it's been raised to me by a couple of my constituency. They wonder if they locked that price in at 7 or \$8 right now, when right now they could be buying it for 6

and we're picking up the extra costs, Mr. Speaker. And that's a concern out there.

You know, and it's a . . . like I say it's a huge concern to the constituents out there, Mr. Deputy Speaker.

I see we're getting very close. I'm not going to go bring up a couple of more letters. They just hollered I got 20 seconds. So I got 20 more seconds to try to urge this government to take this back to the rate review panel tomorrow. To follow that motion. To go back there . . . my last couple of seconds . . .

The Speaker: — It now being past the hour of 5 o'clock, this House stands recessed until 7 p.m.

The Assembly recessed until 19:00.